FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 26 9 February 1987

INTER-AMERICAN AFFAIRS

OAS Committee Says UK Exclusion Zone 'Illegal' A 1
[EFE]

ARGENTINA

Further Reportage on Falklands Situation B 1
Foreign Ministry Denies 'Proposal' B 1
Other Countries Offer Help B 1
U.S. Satellite Reportedly in Use B 2
Caputo 'Target' of Campaign B 3
Caputo: 'No Comment' on Issue B 3
Possible 1987 Gorbachev Visit Discussed B 3
Defense Minister Jaunarena Returns From Italy B 4
Denies Armed Forces Unrest B 5

BRAZIL

Government Announces End To Price Freeze D 1
[FOLHA DE SAO PAULO 5 Feb]
SEAP Increases Prices of Tires, Transport Rates D 2
Telecommunications Agreements Signed With Cuba D 2
Briefs: Japanese Institution Grants Loan; D 2
AIDS Data

CHILE

Media View Fernandez Larios-Letelier Case E 1
Rivadeneira Comments on New Political Coalition E 2
Police Report Forest Fires Caused by Arson [AFP] E 2

COLOMBIA

UP's Viera Assesses Government's Performance F 1
Ecopetrol Reports on Oil Exploration F 2
[EL SIGLO 5 Feb]

PERU

Minister Denies Changes; EEC Envoy Begins Visit J 1
Cuban Regugees at Embassy in Havana Begin Fast J 1
Briefs: Oil Well Discovered J 1

MEXICO

De la Madrid Appoints New Pemex Director General M 1
Spain's Fernandez-Ordonez Arrives for Meetings M 1
Meets With De la Madrid [DPA] M 1
Regional Issues Discussed [DPA] M 1
Spain's Minister of Commerce Sees Broader Trade M 2
[EXCELSIOR 4 Feb]
Briefs: Cocaine Seizures, Arrests M 2

PANAMA

Noriega Receives French Award in Paris 5 Feb N 1
Navy Detains Mexican Tuna Boat 6 Feb [AFP] N 1

CENTRAL AMERICA

BELIZE

Communique Issued on Relations With PRC P 1

COSTA RICA

Madrigal Comments on Results of European Trip P 1

EL SALVADOR

Duarte Addresses 7 Feb PDC Rally in San Salvador P 3
Acevedo Interviewed on Contadora, Region P 5
[Bogota EL TIEMPO 4 Feb]
Colonel Avalos Views Captivity, Dialogue P 8
Bishop Rosa Chavez Speaks on Avalos, PDC March P 9
Venceremos Rejects 'Defamation' Campaign P 10
Reportage on 7 Feb FMLN Transportation Stoppage P 11
Guerrillas Block Traffic P 11
Venceremos: 'Stoppage Successful' P 12
FMLN Announces End of Stoppage P 12
[Venceremos]
Official Scores Stoppages P 13
Coprefa Reports Terrorist Activities, Casualties P 13
New Pact Signed by FMLN-FDR Alliance P 14
[Mexico City EL DIA 24 Jan]

GUATEMALA

Appointed Nicaraguan Envoy's Approval Withheld P 16
Honduran Troops Cross Border, Shoot Citizen P 17
[PRENSA LIBRE 6 Feb]

HONDURAS

Government Protests Nicaragua's 'Insulting' Note P 17
Army Denies Troop Incursion Of Guatemala P 18
Navy Wounds Salvadoran, Captures 2 Others P 19
National Party Convention Criticizes Government P 19
[TIEMPO 5 Feb]

NICARAGUA

Ortega's 'Face the People' Views Economic Policy P 21
Ortega Urges Calero To Fight Inside Nicaragua P 34
Cruz Resigns From UNO, Continues 'Struggle' P 34
[AFP]
Cruz, Robelo Meet Arias Over Costa Rican Proposal P 35
Opposition Parties Present 'Peace Proposal' P 35
[DPA]
Supreme Court Rejects Challenge to Emergency Law P 36
CNPPDH 'Clarifies' CIDH Human Rights Report P 36
Defense Ministry Communique Reports on Actions P 37
Briefs: EPS Promotions Reported P 38

CUBA

Peace Movement Condemns U.S. Nuclear Testing Q 1
GRANMA Discusses Drug Traffic, White House Ties Q 1
U.S. Continues 'Escalation' Against Nicaragua Q 2
Angolan Delegation Arrives for Cooperation Talks Q 3
Angolan Envoy Eyes Troops, Namibian Independence Q 3
Government Releases 'Rights Committee' Members Q 3
Castro Speaks at National Education Seminar Q 4
Praises Teachers, Closes Seminar Q 5
Tourism Industry Figures Yield Positive Results Q 5
Briefs: Postal Rates to U.S. Increase Q 5

SURINAME

British-Led Mercenaries Arrive From French Guiana U 1
Council Decides on National Assembly Elections U 1
[Amsterdam DE VOLKSKRANT 28 Jan]

OAS COMMITTEE SAYS UK EXCLUSION ZONE 'ILLEGAL'

PY070143 Madrid EFE in Spanish 2317 GMT 4 Feb 87

[Text] Rio de Janeiro, 4 Feb (EFE) -- The OAS Inter-American Legal Committee announced here today that "Argentina's sovereignty over the Malvinas Islands is unquestionable."

The consultative organization issued a resolution stating that the occupation of the Malvinas by the UK "is illegal" and that "any attempt to exercise jurisdiction, resort to force, or develop the natural resources in the maritime zone around the Malvinas is also illegal."

The OAS committee added that "the British attempt to interfere with the unquestionable, peaceful, and continued sovereignty, which Argentina has been exerting and still exerts over the 200-mile zone along its continental coast is not only illegal but also endangers international peace and security."

The nine members of the OAS Legal Committee, who met in Rio de Janeiro, signed a communique pointing out that the British occupation of the Malvinas is a threat to peace in the South Atlantic.

On 29 October 1986, the British Government established an exclusion fishing zone around the Malvinas Islands, which, according to the OAS Inter-American Legal Committee, overlaps Argentina's 200-mile territorial waters.

The communique was released as 300 fishing vessels, which belong to Argentina and 10 other countries, are fishing near the islands under heavy surveillance by British and Argentine vessels and planes.

The "200-mile economic exclusion zone," and the "150-mile fishing protection zone" established by Great Britain around the Malvinas Islands, which Argentina and Great Britain have been disputing since 1833, went into effect on 1 February.

Jorge Reinaldo A. Vanossi, OAS Inter-American Legal Committee vice president, told EFE that Great Britain is exercising an "imperialist policy, which ignores international treaties and laws," over the Malvinas Islands.

Vanossi added that Margaret Thatcher's government only agrees to dialogue, on the condition that the sovereignty issue not be raised, while Argentina has publicly declared that it is ready to negotiate without any conditions.

FURTHER REPORTAGE ON FALKLANDS SITUATION

Foreign Ministry Denies 'Proposal'

PY062256 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2213 GMT 6 Feb 87

[Excerpt] Buenos Aires, 6 Feb (NA) -- The Argentine Foreign Ministry tonight refuted the latest foreign report that Great Britain had answered an Argentine proposal to resolve the problem of fishing around the Malvinas Islands without taking into account the sovereignty issue. The Foreign Ministry spokesman stated that "no such proposal exists" and reiterated the communique that the Foreign Ministry released last night.

According to a REUTER report today, which quoted a Foreign Ministry spokesman, last month Argentina sent "overtures" to London through U.S. channels but did not raise the issue of sovereignty.

An unattributed report by the same news agency prompted the Argentine Foreign Ministry last night to issue a communique stating that any further negotiations with Great Britain concerning the Malvinas conflict "cannot exclude the sovereignty issue."

Meanwhile, Coast Guard patrols in the South Atlantic are proceeding normally, and there has been "no news" of late, the Defense Ministry reported today, 6 days after the exclusion zone Great Britain unilaterally established around the Malvinas Islands went into effect.

A Defense Ministry source indicated that two reports a day have been filed since the British measure went into effect, and emphasized that any reconnaissance in the Argentina southern seas since 1 February is being conducted by "surface ships alone."

The Coast Guard vessel patrolling the coast of Patagonia in its latest report stated that the "storm front that has been lashing the area has abated," and that at this point "the sea is calm and there are no weather disturbances."

The Defense Ministry source also reported that "no British planes or ships have been sighted," which confirms that British surveillance from the islands is based on satellite information. [passage omitted]

Other Countries Offer Help

PY070042 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2351 GMT 6 Feb 87

[Excerpt] Buenos Aires, 6 Feb (NA) -- Several European and American countries -- including France and Uruguay -- have conveyed to the Argentine Government "their desire to help avoid incidents" in the South Atlantic where a fishing exclusion zone unilaterally levied by Great Britain on 1 February is in effect, an Argentine Foreign Ministry spokesman said today without going into further detail.

The spokesman refused to name the countries that had offered their help but other diplomatic sources have indicated that France and Uruguay appear to be two of the countries that conveyed this offer to the Argentine Government. When NOTICIAS ARGENTINAS asked the spokesman about the latest report from abroad that Great Britain had answered an Argentine proposal aimed at resolving the fishing problem without taking into account the sovereignty issue, the spokesman answered: "I am not denying anything but you should draw your answers from the Foreign Ministry communique issued last night."

The spokesman refused to name the countries that offered to help avoid friction between Argentina and British ships that have been sailing in this "hot zone" of the South Atlantic since 1 February. On the other hand he urged the journalists to exercise "utmost responsibility" when handling the information on the conflict because "the British have unleashed a heavy psychological campaign." [passage omitted]

U.S. Satellite Reportedly in Use

PY071856 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1530 GMT 7 Feb 87

[Text] Buenos Aires, 7 Feb (NA) -- A high government source confirmed today that the U.S. satellite in orbit over the Southern Hemisphere, which provided information to the British General Staff during the Argentine-British war in 1982, is now providing data to the British Armed Forces regarding the movements of the Argentine Coast Guard ships patrolling the waters around the exclusion zone in the South Atlantic.

The source asserted that this "was perfectly foreseeable" and that "it does not affect our country's relations with the United States," because the "total spectrum of these relations is much broader and includes other aspects, among which the subject of satellite information is only one specific subject."

The source told NOTICIAS ARGENTINAS: "We do not like this, of course, but we were expecting delivery by satellite of this type of information to the British, because they and the United States are NATO partners."

On the other hand, the source categorically ruled out the possibilities of a meeting between Prime Minister Margaret Thatcher and President Raul Alfonsin toward the end of the year.

The confirmation by the high government source that the U.S. satellite is providing information to the British General Staff, and the assessment by the Argentine Government of this fact apparently will not affect the activities that Ronald Reagan's government is reportedly undertaking to create an "atmosphere of discussion" between Argentina and Great Britain regarding the controversial Malvinas question.

The U.S. satellite in orbit over the Southern Hemisphere provided the British Armed Forces with information that was vitally important for the deployment of British troops and warships during the Anglo-Argentine war in 1982.

The source revealed that "the satellite information service can be rented by any country," stressing that "Argentina has done so on a few occasions." Obviously, however, he ruled out "any possibility" that those services might be hired by the Argentine Defense Ministry to obtain information regarding British movements in the Malvinas.

The source categorically ruled out the possibility of a meeting between Prime Minister Margaret Thatcher and President Raul Alfonsin toward the end of the year.

He stressed: "We are almost absolutely certain that, as long as Mrs Thatcher remains in the government, a dialogue with Great Britain that includes the sovereignty question, which for us is the core of the dispute, will be absolutely impossible."

The U.S. Government is, however, reportedly taking steps with the London and Buenos Aires governments to create an "atmosphere of discussion" to make the two countries resume the interrupted talks on the controversial Malvinas question.

Caputo 'Target' of Campaign

PY072000 Buenos Aires DYN in Spanish 1900 GMT 7 Feb 87

[Text] Buenos Aires, 7 Feb (DYN) -- Facundo Suarez, head of the Argentine secret services has revealed that Foreign Minister Dante Caputo is the "target" of the psychological campaign British counterespionage has orchestrated, and reported that Argentine journalists have been drawn into this campaign "involuntarily and naively."

Speaking to DYN, the State Intelligence secretary, who is also head of the National Intelligence Center, reported that "British counterespionage has orchestrated a psychological campaign directed at Foreign Minister Dante Caputo, based on alleged plundering of fishing resources in the South Atlantic by foreign ships." Suarez emphasized, however, that the Argentine foreign minister "has President Alfonsin's total support."

According to Suarez, the attitude of the British Government, which is detrimental to the efforts of Foreign Minister Caputo, "is being echoed by experts in international politics who have involuntarily and naively joined the campaign" that the British have orchestrated. The head of the State Intelligence Secretariat explained that British counterespionage has been involved in the Malvinas issue for several months trying to prepare international forums and Argentine society for a rapprochement between the parties in order to begin bilateral negotiations that would exclude the sovereignty issue. However, despite the criticism of Foreign Minister Caputo's actions, President Raul Alfonsin "has extended his full support to the minister," Suarez stressed.

Caputo: 'No Comment' on Issue

PY082253 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1818 GMT 8 Feb 87

[Excerpts] Buenos Aires, 8 Feb (NA) -- Argentine Foreign Minister Dante Caputo today declined to comment on an alleged British counterespionage campaign of which he is the "main target." Meanwhile, informal negotiations have been initiated by U.S. officials between the Argentine and British Governments to seek an agreement to reduce tension in the South Atlantic.

In a telephone conversation with NOTICIAS ARGENTINAS, Caputo said: "I have no comment" when he was asked about a recent statement by Facundo Suarez, head of the Argentine State Information Secretariat. [passage omitted]

Moreover, Argentine Defense Minister Horacio Jaunarena has stated that Argentine Coast Guard units are patrolling Argentine territorial waters in a "normal" manner on the 8th day of the fishing exclusion zone Great Britain unilaterally imposed in the South Atlantic. [passage omitted]

POSSIBLE 1987 GORBACHEV VISIT DISCUSSED

PY072228 Buenos Aires DYN in Spanish 1540 GMT 7 Feb 87

[Text] Buenos Aires, 7 Feb (DYN) -- Diplomatic sources indicated today that Soviet leader Mikhail Gorbachev will visit Argentina in mid-1987 in response to an invitation President Raul Alfonsin issued in October 1986. Gorbachev's visit will take place within the framework of a Latin America tour.

Gorbachev's visit appears to be part of the Soviet strategy aimed at rapprochement with Latin America in order to improve bilateral trade and diplomatic relations.

According to information available here, Gorbachev's tour, that could take place this August, would also include Uruguay, Mexico, Peru, Cuba, and Nicaragua.

So far, the only official news is that Gorbachev will travel to Uruguay as part of a Latin American tour to reciprocate a visit that Uruguayan President Julio Maria Sanguinetti will make to Moscow this year.

Mexican President Miguel de la Madrid visited Moscow before President Alfonsin, and he also invited Gorbachev to reciprocate his visit.

The Soviet Union has already sent Foreign Minister Eduard Shevardnadze to Mexico and Havana, and its Deputy Foreign Minister Viktor Komplektov to Uruguay. These steps are viewed as preparatory for Gorbachev's tour this year.

Gorbachev's Latin American tour this year will be the first by a Soviet top leader to this continent, which shows that the secretary general of the CPSU assigns a key role in the global strategy of the Soviet Union to this continent.

Diplomatic sources stated that it is quite probable that Gorbachev will try to set up the development of the Soviet policy toward Latin America and that the communist leader will take advantage of his tour to increase bilateral cooperation and trade, possibly by establishing joint enterprises that would have the financial support of the USSR and would employ Latin American technology.

Some of this strategy was put into effect during the visit Alfonsin paid to Moscow in October 1986, the first an Argentine president ever paid to the Soviet Union. On that occasion, accords were signed that included one on industrial cooperation through which the Soviet Union will provide capital and technology for manufacturing certain goods in Argentina. These goods would later be exported to third countries, especially in Africa.

Within the same framework the Soviets also accepted the possibility of purchasing medium-sized turnkey plants build in Argentina.

A special Soviet delegation will arrive in Argentina in March to evaluate the current development of these agreements together with Argentine industrial, foreign trade, and foreign affairs officials.

DEFENSE MINISTER JAUNARENA RETURNS FROM ITALY

PY061800 Buenos Aires Domestic Service in Spanish 1600 GMT 6 Feb 87

[Text] Defense Minister Horacio Jaunarena has returned to our country. Jaunarena said that in Italy he signed an important political agreement with Italian authorities.

Jaunarena pointed out that an important agreement, which will revitalize the Cordoba war materiel industry, was signed with an Italian company. He noted that Italian industry will make important technological and capital contributions in Cordoba province.

Denies Armed Forces Unrest

PY090220 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1512 GMT 8 Feb 87

[Text] Buenos Aires, 8 Feb (NA) -- Argentina Defense Minister Horacio Jaunarena today denied that there is unrest in the Armed Forces. The unrest reportedly was caused because officers involved in serious human rights violations were summoned by the courts. Jaunarena added that reports of this nature are "mere press speculation." Regarding rumors that Army Chief of Staff Hector Rios Erenu had said he would retire if any active duty officer is prosecuted, Jaunarena said: "There is no reason to believe that there is any unrest in the Armed Forces. This is mere press speculation."

On the conflict between the Bahia Blanca Federal Court and the Defense Minister over the delay in supplying information required by the military courts that acted within the jurisdiction of the V Corps between 1926 and 1977, Jaunarena said: "We supplied the information as it came in."

Regarding the possibility that the court might request the Supreme Court to notify President Raul Alfonsin that the Defense Ministry must answer "all" Bahia Blanca court requests, Jaunarena said: "We have no official court notification." He said: "We learned about from the newspapers."

Jaunarena will probably attend a meeting on 13 February that President Alfonsin will hold with the Armed Forces commanders "to review present issues." According to official reports they may discuss the situation brought about by the trials of military officers charged with human rights violations.

The high-ranking military chiefs will reportedly inform the president, in his capacity as commander in chief of the Armed Forces, about the "pressures" mid-level officers are exerting against requiring officers to honor summonses by civilian courts.

The meeting, which will be held at the Olivos presidential residence, will be attended by Joint Chief of Staff Teodoro Waldner, Army Chief Hector Rios Erenu, Navy Chief Vice Admiral Ramon Arosa, and Air Force Chief Ernesto Crespo.

According to the newspaper CLARIN, General Rios Erenu told Defense Minister Jaunarena that "if several chiefs and officers who carried out specific orders during the war against subversion are prosecuted, I will have no alternative but to request my retirement." The newspaper added that Rios Erenu told the defense minister that "under no circumstances will I be able to overcome this storm." It was also learned that "comrades" of the high-ranking military chief have adopted the same position.

The high-ranking military chiefs reportedly believe that the most conflictive situations now involve 15 retired Navy admirals who had their "charges dropped" by the Supreme Council, and the case against the Navy officers involved in alleged human rights violations at the Navy Mechanical School (ESMA).

According to CLARIN, an "indication" of the "serious situation" within the military was the harangue that Rear Admiral Jose Maria Arriola, former commander of the Puerto Belgrano Naval Air Base, issued when he assumed duties as chief of the joint staff [as received] in a very simple ceremony. Arriola reportedly will not be punished by Defense Minister Jaunarena because this would mean the retirement of the Navy commander and of Arriola himself, which would place the Navy on "red alert." Moreover, Rios Erenu reportedly said that "it would be very difficult for any chief of staff to carry the burden of the court cases against ESMA and against the I Corps."

GOVERNMENT ANNOUNCES END TO PRICE FREEZE

PY062335 Sao Paulo FOLHA DE SAO PAULO in Portuguese 5 Feb 87 p A19

[Excerpts] Yesterday, the government formally ended the price freeze and instituted a free market system subject to monitoring by businessmen, who will impose "moral sanctions" in cases of excessive price increases, which constitute "abuse of economic power."

The announcement that prices have been "liberated" was made after a 2-hour meeting held by Finance Minister Dilson Funaro and Industry and Commerce Minister Jose Hugo Castelo Branco with business leaders. Minister Dilson Funaro denied that prices have been "liberated," and said that "this is a return to the rules of the market under constant watch by the government."

The new system will work the following way in practice.

1. The government will permit readjustments for goods and services not subject to strict control by the Interministerial Price Council (CIP) and National Superintendency of Supplies [SUNAB].

2. Prices under CIP control will be "realigned" by the end of this week, and, thereafter will be controlled by the system in force before implementation of the Cruzado Plan, under which requested increases were subject to verification. This process may last up to 45 days.

3. The number of SUNAB-controlled products that must observe prices in the CIP/SUNAB list will be reduced from 2,400 to 400. The margin of profit for nonlisted products will be determined by CLD (Cost-Profit-Expense) evaluations. According to National Supermarkets Association President Joao Carlos Paes Mendonca, who was present at the meeting, supermarkets will not be permitted to raise prices before SUNAB releases a new price list.

4. Prices of goods and services not under CIP or SUNAB control will be readjusted by market rules but subject to monitoring by businessmen's associations. The National Industry Confederation (CNI) president, Senator Albano Franco (PMDB of Sergipe State) said that the confederations, federations, and associations will appoint working groups to monitor the readjustments. [passage omitted]

Under a CIP resolution, which formalized the new system, any industry, product, or service whose readjustments might be considered an "abuse of economic power" will be transferred from the price-monitoring system to a strict price-control system. [passage ommitted]

National Commerce Federation President Antonio de Oliveira Santos said that with the normalization of supply, some prices could even come down. He predicts that with the measures adopted yesterday, the risk of hyperinflation is removed, and estimated that after the formal end of the price freeze, the 1987 inflation rate could be 70-80 percent. [passage omitted]

Today's OFFICIAL GAZETTE Publishes a labor minister's resolution readjusting the current monthly minimum salary of 804.0 cruzados by 20 percent to 964.8 cruzados. [passage omitted]

SEAP INCREASES PRICES OF TIRES, TRANSPORT RATES

PY041551 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 4 Feb 87

[Excerpt] The SEAP [Special Secretariat for Supply and Prices] has authorized a 28-percent increase in the price of tires; 30 percent for airline tickets; and 44 percent for railroad fares.

The SEAP has also reported that coastal shipping costs will be increased by 25.44 percent, while domestic navigation rates will go up 30 percent. [passage omitted]

TELECOMMUNICATIONS AGREEMENTS SIGNED WITH CUBA

PY060152 Brasilia Domestic Service in Portuguese 2100 GMT 5 Feb 87

[Text] In view of the establishment of Brazilian-Cuban diplomatic relations, bilateral exchange in the telecommunications sector will increase. The Cuban Government has shown interest in importing Brazilian telecommunications equipment because of its sophistication, good prices, and high quality.

This is what Embratel [Brazilian Telecommunications Company] Chairman Pedro Castello-Branco said today in Rio de Janeiro when commenting on the result of the visit that Communications Minister Antonio Carlos Magalhaes paid to Cuba and the treaties that were signed.

[Begin Castello-Branco recording] We discussed the establishment of direct communication circuits between our two countries, and their possible expansion. We also discussed the possiblity of channeling via Brazil all Cuban communications to South American, European, and even Far Eastern countries, with which Cuba does not have direct communications link.

We also agreed that all Brazilian communications for countries in the Socialist bloc will be channeled through Cuba. [end recording]

These agreements were signed between Embratel and ENTEL-Cuba [National Telecommunications Enterprise of Cuba]. Brazilian-Cuban telecommunications were inaugurated in January in a telephone conversation between Cuban President Fidel Castro and Brazilian President Jose Sarney, who opened the Direct Dialing International System between the two countries.

BRIEFS

JAPANESE INSTITUTION GRANTS LOAN -- Jean (Verdi) Siqueira, coordinator of the program for the financing of irrigation equipment, has reported that the [name indistinct] Economic Fund, a Japanese official institution, has granted the Brazilian Government $80 million to be used in irrigation projects in Bahia, Minas Gerais, Mato Grosso, Mato Grosso do Sul, and Goias states, and in the Federal District. [Summary] [Brasilia Domestic Service in Portuguese 2100 GMT 3 Feb 87 PY]

AIDS DATA -- Sao Paulo, 3 Feb (EFE) -- According to WHO High Commissioner Ronald Saint John, there are nearly 120,000 carriers of the AIDS virus in Brazil. [Summary] [Madrid EFE in Spanish 0120 GMT 4 Feb 87 PY]

MEDIA VIEW FERNANDEZ LARIOS-LETELIER CASE

PY071707 Santiago Domestic Service in Spanish 0930 GMT 7 Feb 87

[Text] Major Armando Fernandiz Larios submitted his resignation from the Army on 21 January, and he then left the country without receiving proper authorization from the institution. The Army has reported this in a communique released by the Army Public Relations Office. The official report says:

1. On 2 February 1987, the Army Deputy Command recieved a document signed by Major Armando Fernandez Larios, dated 21 January 1987. The document was accompanied by an irrevocable request for his discharge.

2. After an investigation of the facts it was found that the officer had left the country on 22 January 1987 on Varig flight 921 to Brazil, without having obtained the authorization stipulated by regulations.

3. These facts have been reported to the appropriate organizations for due action.

Thus, the official Army communique says that Maj Fernandez Larios resigned from the Army on 21 January and then went to Brazil without authorization.

A Santiago morning newspaper has published a press agency report on the statements Fernandez Larios made to the U.S. paper THE WASHINGTON POST. The report says that Fernandez Larios is wondering whether he did the right thing by turning himself over to the U.S. authorities to reveal his own role in the death of former Foreign Minister Orlando Letelier. THE WASHINGTON POST interviewed Fernandez Larios on 4 February after learning of his participation in the attack on the Chilean diplomat. Fernandez Larios, who testified on 4 February before Judge Barrington Parker of the Washington district court, said that he was in Santiago when the attack on Orlando Letelier occurred. After his defection, Fernandez Larios arrived at the U.S. Andrews Air Force Base under heavy custody with the promise that he would never be treated as a prisoner. THE WASHINGTON POST asserts, however, that Fernandez Larios was put into a small room, a little bigger than a wardrobe and without windows, and that by 3 February he started wondering if he was really doing the right thing. The U.S. paper says that on the morning of 4 February, when he found himself facing Judge Parker, Fernandez Larios' misgivings increased considerably, because the judge refused to accept the promise that the U.S. Government had made that he would be given only a light sentence.

The story behind Fernandez Larios' defection as well as his involvement in the Letelier case are only now becoming known. A Santiago morning paper has reported Fernandez Larios' last movements in Chile and his sudden departure abroad. Although it is not yet quite clear whether Fernandez Larios traveled to the United States from Rio de Janeiro, Sao Paulo, or Buenos Aires, it has been proven that he traveled in the private jet of FBI Director William Webster. Before leaving in the FBI director's plane, Fernandez Larios let himself be seen at entertainment spots in the Barrio Alto of Santiago, and on 28 January he even attended the soccer final between the Colo Colo and Palestinos Clubs.

The Interpol at Arturo Merino Benitez Airport asserts, however, that Mr Armando Fernandez Larios left the country on 21 January.

On that day he boarded Varig flight 921 with stopovers in Buenos Aires, Sao Paulo, and Rio de Janeiro, before it continued on to Europe. Interpol has not recorded his return to the country, but it is believed that Fernandez Larios might have clandestinely returned to Chile with a forged passport. It is clear, however, that Fernandez Larios completed his defection plans in Brazil. He only lacked contacts with the CIA. It should be recalled that Fernandez Larios was born in the United States in September 1949.

On 2 February, U.S. Ambassador to Chile Harry Barnes unexpectedly visited Interior Minister Ricardo Garcia to report that Armando Fernandez Larios was at that time traveling toward Washington and that, on his arrival, he would give the U.S. authorities a complete and truthful statement on his role in the events that led to the death of former Foreign Minister Orlando Letelier.

RIVADENEIRA COMMENTS ON NEW POLITICAL COALITION

PY052055 Santiago Domestic Service in Spanish 1600 GMT 5 Feb 87

[Excerpts] Lawyer Ricardo Rivadeneira Monreal has officially agreed to become president of the National Renewal Party [Partido Renovacion Nacional -- PRN], which is a new political organization that was created after the merger of the National Union, Democratic Independent Union, and National Labor Front. The vice presidents of the new center-right party are Andres Allamand of the National Union, Jaime Guzman of the Democratic Independent Union, and Juan de Dios Carmona of the Christian Social Party. Gonzalo Garcia, manager of the Santiago International Fair, was appointed PRN secretary general. Ricardo Rivadeneira told reporters that he was chosen because he is an independent who has never been an active member of any political party. [passage omitted]

Rivadeneira added that the new political party will become a real and effective alternative to the socialist proposals. He pointed out that the PRN hopes to participate in the government and occupy a constructive position if elected by the people [words indistinct]. Rivadeneira also said that the new center-right party will oppose any antidemocratic project that jeopardizes Chilean sovereignty and freedom. Jaime Guzman added that the new political organization is different from the parties existing in Chile. [passage omitted]

POLICE REPORT FOREST FIRES CAUSED BY ARSON

PY061246 Paris AFP in Spanish 0245 GMT 6 Feb 87

[Text] Valparaiso, 5 Feb (AFP) -- The police have reported that three separate arson attacks tonight were consuming large areas of forests and pastures around the Chilean cities of Valparaiso, Vina del Mar, and Quilpue, on the coastal region northwest of Santiago. A strong wind has revived the flames and has spread smoke and ashes over several neighborhoods. The regional office for emergencies has alerted some military units to support the firemen and the forest patrol units, which this afternoon started trying to isolate the fire centers.

Police sources have reported that several fires recorded in the zone over the past few weeks could have been started by long-range incendiary devices. In the past, during the summer season from January to March, clandestine groups opposed to the Chilean military regime have claimed several forest fires in the region, which in this period receives thousands of tourists, especially Brazilians and Argentines.

UP'S VIERA ASSESSES GOVERNMENT'S PERFORMANCE

PA072133 Bogota Cadena Radial Super in Spanish 1730 GMT 7 Feb 87

[Telephone interview with Gilberto Viera, a member of the Patriotic Union, by correspondent Fernando Roda in Bogota -- live]

[Text] [Roda] Here is Patriotic Union [UP] member Gilberto Viera, who has always been a leftist militant. Gilberto Viera, welcome to the Supernews broadcast on Cadena Radial Super. UP will hold a convention at the end of the month; are you going to make some decisions, and if so, towards what goals?

[Viera] The decisions made will especially bear in mind the campaign for the popular mayoral elections and the struggle for social reforms. The government has promised the country it will make these reforms, but it has not yet done so. The promises are for land and urban reforms. UP is striving for these reforms, such as the electoral reforms. The objective of this reform is to break completely the monopoly that the two parties have in government institutions. Other reforms UP is seeking include a paragraph of Article 120 of the Constitution, concerning the country's electoral organization, and in the board of directors of the decentralized institutes. In these institutes, the bipartisan system of sharing between the representatives of the two traditional parties continues to prevail.

[Roda] How do you assess the first 6 months of the Barco Vargas administration?

[Viera] The government has just spent its time writing about absolute poverty. However, no actions are forthcoming. Also, all the government has done is introduce two ill-named land and urban reforms. The bills do not deserve that name because they merely involved procedures to expedite expropriation of lands in the cities and rural areas by paying indemnities to the owners. However, that has nothing to do with the overall land reform the country is demanding or with the urban reform that will eliminate the system of idle vacant lots [lotes de engorde], especially in the major cities. The country is demanding that hundreds of thousands of Colombian families be given decent housing. So far, all the government has done is talk and write. We have not seen any action at all.

[Roda] Has the government offered you guarantees to continue your political activities, following the murders of UP militants?

[Viera] All the government says is that it is offering guarantees. However, no effective measures have been adopted to find the criminals and, most of all, to dismantle the paramilitary bands that have been perpetrating these crimes in a programmed fashion. In this respect, the government makes pledges that are not translated into action.

[Roda] The government is going to establish a commission to verify the Uribe agreement, which FARC and the previous government of Belisario Betancur signed. How do you feel about that?

[Viera] We think that it is absurd that the commission is exclusively made up by government ministers and officials.

The commission has the task of verifying fulfillment of an agreement, that is, the Uribe agreement, between the previous government and the FARC's general staff. If the idea is to verify if either side has violated the agreement, logically, the two sides must be represented on the commission. Otherwise, it is a unilateral government commission. That is the basic flaw of the government's idea. The government is determined not to name a peace and verification commission so as not to continue the policy of the previous government. This seems to be an obsession of the current president of the republic.

[Roda] Are not the UP militants or members concerned that they are always linked to FARC's subversive actions?

[Viera] UP is an independent movement. It grew out of a FARC initiative. However, FARC is a guerrilla group with its own objectives. It is basically different than the UP. For example, discussions about violations to the Uribe agreement do not concern UP. FARC must handle that problem. The government must discuss that problem with FARC, not with UP.

ECOPETROL REPORTS ON OIL EXPLORATION

PA090149 Bogota EL SIGLO in Spanish 5 Feb 87 p 9

[Text] In joint exploration activities conducted by foreign companies in 1986 with Ecopetrol [Colombian Petroleum Enterprise] a total of 32 wildcat wells and 22 development wells were drilled. At the end of 1986, two more wells were being drilled.

The first issue of this year of the Ecopetrol publication CARTA PETROLERA reported that several commercial fields were discovered during the joint venture activities. The Cano Verde and Cano Redondo fields, discovered under a venture agreement with Occidental, are located in Arauca. Recoverable reserves of 6.8 million barrels have been found.

Sardinas Field in the Cusiana (Casanare) region, was a joint venture with Elf Aquitaine company. The reserves there are estimated at 4.5 million [barrels].

Guanapalo Field, which is also a joint venture with Elf Aquitaine, is located in Pauto River (Casanare). Testing is being conducted to determine its reserves. The reserves of the north Jordan field in Cusiana (Casanare) region still have to be determined. This field is also a joint venture with Elf Aquitaine.

In 1986, eight joint ventures were signed. They cover an area of 628,000 hectares, chiefly in the eastern plains.

Here are the names of the joint venture agreements Ecopetrol has signed and the names of the foreign companies involved: Cano Barrulia with Chevron, in Meta; San Juan with Intercol, in Meta; Matapi with Carupana Oil, in Meta; Granada with Hispanoil and Texas [not further identified], in Meta; Orocue with Zeal Petroleum in Casanare; Babacoas with Hixcol, in Middle Magadalena; La Plata with Eurocan Venture and Santa Fe Energy in High Magdalena, and Villarica with Petrocanada, in Tolima.

At the beginning of 1987, a total of 76 joint venture agreements were still in effect.

Ecopetrol's direct exploration included drilling 10 wildcat wells. Five of these yielded oil. It also drilled 219 development wells, and most of these were included in the work conducted at Casabe Field (in Antoquia).

The results obtained last year were satisfactory, because half the wells Ecopetrol drilled independently revealed new and important crude reserves. Ecopetrol's own explorations expected to result in a total of 23 wells this year.

The national production crude average is 302,140 barrels a day. The volume of Ecopetrol's direct and joint production rose to 168,900 barrels a day. Moreover, the production by existing oil concessions and those forged by joint venture companies averaged 133,200 barrels a day.

The increase in national crude production is remarkable when compared to the way production has evolved since the beginning of this decade.

Ecopetrol launched an ambitious 5-year plan to guarantee the country's self-sufficiency in oil after 1993. Through direct operations, the plan seeks to make up for the deficit Colombia has experienced as a result of the drop in the international price of crude oil.

The program, introduced by Ecopetrol's Exploration Directorate, was called the "5-year Exploration Plan." It contains a plan to conduct aerial magnetogravimetric [aeromagnetogravimetricas] explorations in an area measuring 80,000 km and seismographic activities over 15,000 kms and to take 60,000 geochemical samples. The plan also includes drilling 114 wildcat and 22 stratigraphic [estratigrafico] wells and conducting geophysical exploration in 9 out of 13 most important sedimentary basins dividing the country.

The overall cost of the program is expected to be $418 million (approximately 100 billion pesos). Its implementation includes projects in the basins of the eastern plains; Magdalena's low, medium, and higher valleys; Catatumbo; Cauca-Patia; Putumayo; Guajira; and Sabana de Bogota.

The Ecopetrol publication adds that the plan's fundamental objective is to find new hydrocarbon reserves to allow the country to maintain its self-sufficiency and to have exportable surpluses after 1993. Ecopetrol will work to discover new reserves of natural gas in basins close to the country's major cities. It will concentrate all its oil-producing efforts in areas of high exploratory interests where the existence of commercial hydrocarbons has been determined. Ecopetrol has reserved some of these areas.

To guage the importance for Ecopetrol in particular and for the country in general of the 5-year exploration plan, the company's Exploration Directorate has compared last year's figures (7 A-3 [not further identified] wildcat wells) with the figures that will be achieved during the first year of the program (23 A-3 wells). This means that this activity will be tripled.

To finance the plan, Ecopetrol already has the resources from its own funds, international loans, and from the reinvestment of profits, which the Oil Exploration Fund, Fexpetrol -- created on 10 September 1986 -- may have.

MINISTER DENIES CHANGES; EEC ENVOY BEGINS VISIT

PY071520 Lima Television Peruana in Spanish 0110 GMT 7 Feb 87

[Text] Prime Minister Luis Alva Castro has stated that there will not be any cabinet changes. Economy Minister Luis Alva Castro today denied the rumors that he plans to resign and that the cabinet will be reshuffled. Alva Castro said that the comments and the rumors being spread by some sectors of the press are untrue and that everything remains unchanged.

Alva Castro made these comments after participating in a long cabinet meeting. This is the second consecutive day that such a meeting has been held at Government Palace. The minister added that some issues left pending from yesterday's meeting were concluded today. The meeting was attended by Senate President Armando Villanueva del Campo and Deputy Luis Negreiros Criado.

In the afternoon, the chief executive received Mr Claude Cheysson. Cheysson is an EEC representative charged with handling North-South relations between the Mediterranean and Latin American countries. Cheysson, who was especially invited by the Peruvian Government, is making an official visit to our country.

This is the first official contact the EEC has had with the government of Dr Alan Garcia, and the main goal of the visit is to strengthen bilateral relations. Issues related to the foreign debt, the support of the Contadora Group, and the willingness of the EEC to cooperate in Peruvian development reportedly were discussed during the meeting with the chief executive.

Claude Cheysson arrived in Lima today from Brussels for a 2-day visit. He is scheduled to hold several high-level meetings.

CUBAN REFUGEES AT EMBASSY IN HAVANA BEGIN FAST

PY060227 Lima Canal 9 Television in Spanish 0330 GMT 6 Feb 87

[Text] The Peruvian Foreign Ministry today issued a communique in which it explained the situation of three Cuban refugees at the Peruvian embassy in Havana. In the communique, the Foreign Ministry stated that the three refugees are on a fast. It added that the Peruvian Embassy is offering constant medical attention to those fasting and that according to doctors, the three refugees are in good condition.

The refugees have been at the Peruvian Embassy in Havana since April 1980. They have been granted ample protection while embassy officials are negotiating government authorization for them to leave the country. It is with this objective that Peruvian Embassy officials are holding constant negotiations with Cuban Government officials and the refugees.

BRIEFS

OIL WELL DISCOVERED -- The Occidental Petroleum Company has discovered oil in Lot No 1-AB located in the Amazon jungle. The well will have a yield of over 8,000 barrels per day. The well called (Shibayacu) 21 is the third well that Occidental Petroleum has drilled in the country under a new contract which was signed in March 1985. [Text] [Lima Radio del Pacifico in Spanish 1300 GMT 28 Jan 87 PY]

DE LA MADRID APPOINTS NEW PEMEX DIRECTOR GENERAL

FL061717 Mexico City NOTIMEX in Spanish 1654 GMT 6 Feb 87

[Text] Mexico City, 6 Feb (NOTIMEX) -- President Miguel de la Madrid today appointed Jose Francisco Rojas Gutierrez as Pemex director general. Rojas had been Pemex comptroller general.

SPAIN'S FERNANDEZ-ORDONEZ ARRIVES FOR MEETINGS

Meets With De la Madrid

PA070025 Hamburg DPA in Spanish 2022 GMT 6 Feb 87

[Text] Mexico City 6 Feb (DPA) -- Spanish Minister of Foreign Affairs Francisco Fernandez-Ordonez today met with Mexican President Miguel de la Madrid, with whom he discussed bilateral relations and international issues of common interest. The Spanish official had previously met with Mexican Secretary of Finance and Public Credit Gustavo Petricioli. This afternoon he will meet with Planning and Budget Secretary Carlos Salinas de Gortari.

Fernandez-Ordonez arrived in Mexico City last night to attend the fifth meeting of the Mexico-Spain Intergovernmental Joint Commission. The meeting was inaugurated this morning in Tlatelolco. The commission is examining the development of relations in all matters, especially economic and trade issues, prior to the 10th anniversary on 28 March of the resumption of diplomatic relations. Relations were suspended during the Francisco Franco government.

Today, Fernandez-Ordonez said: "The dialogue on figures and trade volume is not at the same level as the political dialogue" between the two countries because of the "large deficit" in the balance of payments. Spain is Mexico's third largest client but only its tenth largest supplier.

Mexican Foreign Secretary Bernardo Sepulveda Amor reported that in 1985 bilateral trade reached $1.915 billion and last year direct Spanish investment in Mexico reached $385 million, with an annual growth rate of 3.5 percent.

Regional Issues Discussed

PA071345 Hamburg DPA in Spanish 0333 GMT 7 Feb 87

[Text] Mexico City, 6 Feb (DPA) -- Mexican and Spanish Foreign Ministers Bernardo Sepulveda Amor and Francisco Fernandez-Ordonez said in Mexico City today that a solution to the Central American conflict requires the participation of the five countries of the region.

Sepulveda Amor said: "A negotiated solution will not be attained by exclusions and discrimination." Meanwhile his counterpart, Fernandez-Ordonez, stated that any solution has to be a "regional, peaceful, negotiated, and overall solution."

The two foreign ministers discussed the issue at a joint news conference given tonight in Tlatelolco, the seat of the Mexican Foreign Secretariat, after the conclusion of the fifth meeting of the Mexican-Spanish Intergovernmental Joint Commission.

Sepulveda Amor made no comment on the meeting of the Central American presidents -- excluding the Nicaraguan president -- slated for 15 February, because he said he lacked direct information on the reason for and objectives of the meeting. However, Sepulveda pointed out that one of the criteria for attaining a real and effective solution to the conflict is that the peace agreements be approved by the five Central American countries.

Fernandez-Ordonez said that the viewpoint of the Contadora Group, composed of Colombia, Mexico, Panama and Venezuela, is fully shared by Spain and the European community as a whole. Fernandez-Ordonez added that in recent conversations with Costa Rican Foreign Minister Rodrigo Madrigal Nieto in Madrid "a Costa Rican project for an alternative to the Contadora Group was never mentioned."

Regarding bilateral issues, the two foreign ministers expressed satisfaction over the results of the mixed commission meeting, which opened new possibilities for increasing economic and trade cooperation between Mexico and Spain.

SPAIN'S MINISTER OF COMMERCE SEES BROADER TRADE

PA090339 Mexico City EXCELSIOR in Spanish 4 Feb 87 p 4-a

[Text] Spanish Minister of Commerce Miguel Angel Fernandez-Ordonez [name and title as published] visited Pemex Director Mario Ramon Beteta yesterday. Fernandez-Ordonez said that Spain intends to remain Mexico's second largest oil customer, by purchasing 196,000 barrels a day, and to increase its trade relations in many other fields.

Fernandez-Ordonez, who was accompanied by Spanish Ambassador to Mexico Pedro Bermejo Marin, added that his country wants to consider the possibilities for a broader trade exchange, by which Mexico will acquire more products, including petroleum by-products.

Beteta said that the difficult situation Spain has faced during recent years has made it necessary to reduce Mexican imports to a minimum. He added that as a result, some countries have experienced an unfavorable trade balance with Mexico. However, Pemex values its excellent relations with Spain, an example of which is its association with the Petronor [not further identified] enterprise. Pemex is willing to study the possibilities of increasing the importation of Spanish products within the current limitations.

BRIEFS

COCAINE SEIZURES, ARRESTS -- The Attorney General's Office has reported that the Federal Judicial Police have confiscated 2.8 kg of cocaine valued at approximately 1.5 billion pesos, and arrested 3 drug traffickers in actions carried out in Tijuana, Baja California Norte and Tapachula, Chiapas. U.S. citizen Arthur Halzen Helverg and Mexican citizen Ana Irene Sandoval Palacios were arrested in Tijuana when they were crossing into the United States in a Datsun pickup with California license plates, in which they were carrying 2.3 kg of the drug. Colombian citizen Jorge Eleazar Ortiz was captured in Tapachula. He had hidden 300 grams of cocaine in two belts around his ankles. [Excerpts] [Mexico City EXCELSIOR in Spanish 3 Feb 87 STATES section p 4 PA]

NORIEGA RECEIVES FRENCH AWARD IN PARIS 5 FEB

PA060409 Panama City Televisora Nacional in Spanish 0000 GMT 6 Feb 87

[Text] Today General Manuel Antonio Noriega, commander in chief of the Defense Forces of Panama, was decorated in Paris, France, with the Legion of Honor in the grade of grand commander. He received the decoration from the government of President Francois Mitterrand.

The Legion of Honor is France's highest distinction. It is the reward for great merits achieved in the service of the French nation and the causes of freedom or democracy, either by a civilian or by a military officer.

The decoration for Gen Noriega was authorized by President Francois Mitterrand on 16 December 1986 and published in the OFFICIAL GAZETTE in January 1987. The National Order of the Legion of Honor was created by Napoleon Bonaparte through a decree on 19 May 1802. Previous awards of the same military hierarchy were the Order of Saint Michelle, created by Louis XI in 1469; and the Order of Saint Louis, created by Louis XIV in 1693.

The prestigious decoration was given to our distinguished fellow citizen by General Jean-Michel Saulnier, chief of the French Armed Forces staff. It is one of only three decorations authorized by President Francois Mitterrand in 1987.

A gala dinner was offered at the residence of the chief of the Armed Forces staff following the solemn ceremony.

NAVY DETAINS MEXICAN TUNA BOAT 6 FEB

PA062253 Paris AFP in Spanish 0447 GMT 6 Feb 87

[Text] Panama City, 5 Feb (AFP) -- The Panamanian Navy today detained at sea the Aleta Amarilla tuna boat, presumably a Mexican-flag ship, carrying 960 tons of tuna. The vessel was fishing illegally in Panamanian territorial waters, according to official sources.

An official report from the Comandante Torrijos, a Navy patrol boat, pointed out that at 0545 today, the Aleta Amarilla was 3 miles off the coast, near Puerto Limon, in Punta Burica, Chiriqui Province, when first sighted. At this point the boat fled.

It was later reported that the patrol boat intercepted the ship; its captain, Mario Baltazar Murillo, was unable to explain the reasons for his hasty departure or for his presence in Panamanian territorial waters.

Murillo told the Navy that the 960 tons of tuna were picked up in Puntarenas (Costa Rica), and that its final destination was Taboga Island, on the Pacific, 15 miles from Panama City.

The crew includes 14 Mexicans, 3 Portuguese, 2 Panamanians, 1 Costa Rican, and 1 U.S. citizen.

BELIZE

COMMUNIQUE ISSUED ON RELATIONS WITH PRC

FL070337 Belize City Domestic Service in English 0100 GMT 7 Feb 87

[Text] The People's Republic of China and Belize have decided to establish diplomatic relations at the ambassadorial level.

A formal communique was issued today by [words indistinct].

"The Government of Belize and the Government of the People's Republic of China have decided to establish diplomatic relations at the ambassadorial level effective the 6th of February, 1987.

"The two governments have agreed to develop friendly relations and cooperation between the two countries on the basis of the principles of mutual respect, their sovereignty, and territorial integrity, mutual nonaggression, (?lending concern) to each other's internal affairs, sincerity, and mutual benefits, and peaceful coexistance.

"The Government of the People's Republic of China supports the Government of Belize in its just cause of safeguarding the independence and sovereignty of Belize.

"The Government of Belize recognizes the Government of the People's Republic of China as the sole legal government of China.

"The two governments have agreed to provide assistance to each other's diplomatic representatives with the [word indistinct] of their functions on the basis of the principle of equality and mutual benefits in accordance with international practice."

The (?final) communique was released simultaneously today in Belize and the People's Republic of China.

COSTA RICA

MADRIGAL COMMENTS ON RESULTS OF EUROPEAN TRIP

PA081300 San Jose Radio Reloj in Spanish 0100 GMT 8 Feb 87

[Text] Upon his arrival from Europe, Costa Rican Foreign Minister Rodrigo Madrigal Nieto made statements regarding important issues about our international policy. Foreign Minister Madrigal said:

[Begin recording] [Madrigal] International policy is not something you change overnight or all of a sudden. However, our European tour was undoubtedly very timely. Costa Rica needed to express all its viewpoints regarding the Central American crisis. It had to state the basis and projections of its international policy and had to make others aware of the fact that Costa Rica is a completely independent country, rejecting cunning statements made in Europe about Costa Rica's acting simply under orders from overseas. Nothing could be more untrue.

I think that we succeeded in leaving in all the European foreign ministries -- and I visited them all; I met with the highest figures: presidents, prime ministers, foreign ministers, parliamentary foreign relations committees, etc -- the certainty of Costa Rica's peaceful vocation and of its total independence. We stated that Costa Rica's democracy is a valid and lasting value for Central America, and that there is no reason to tolerate a situation, when other countries have been asked and urged to follow the path of democracy, whereby one country leaves that path and becomes a threat and center of corruption of political activities in the area.

Therefore the reactions of all the foreign ministries and governments to my statements were so positive in regard to the wish to achieve peace based on democratization, that I undoubtedly think that they will have a favorable influence on our future relations with Europe. I think that we knocked down certain barriers that were created at a time when other countries, particularly Nicaragua, had organized insulting campaigns against Costa Rica, hiding their true essence.

We succeeded in recovering excellent opinions about Costa Rica in many or in all the European centers of power. We also recovered positive viewpoints about the need for the political stands that Costa Rica has been defending to prevail. We do not wish to impose our positions on others. On the contrary, we want to make those countries that promised to follow those lines, that said [words indistinct] or ample political ideas respect them and stop living in a way completely different from what they promised [words indistinct]. I think my effort was successful and I hope in the future [words indistinct].

[Reporter] Mr Foreign Minister, the end of your European tour occurs at the same time the EEC ministers announced a reduction in their support for Nicaragua. Before now that support absorbed 50 percent of the total support given to Central America...

[Madrigal, interrupting] And more, and more [repeats himself].

[Reporter] Do you think that this reduction is part of the effort made by the four foreign ministers of the democratic countries? You had condemned that large support.

[Madrigal] I would not like to attribute to myself any triumph regarding the change in the European economic or political policy toward Nicaragua, because the only thing I did was to modestly contribute to [words indistinct] the reality and the historic reason for the full [word indistinct] of democratization in the area.

I think that all the changes that will be made from now on in Europe -- and I hope they will be changes that show greater support for the Costa Rican viewpoints -- will undoubtedly be the legitimate result of a deep analysis by the European foreign ministers and that [words indistinct] the political stand in those countries. [Words indistinct] personal, but I could say that now they have more facts to formulate an opinion, they will have a number of more precise, serious, deep reasons to analyze and enthusiastically support the viewpoints that Costa Rica has defended. [end recording]

EL SALVADOR

DUARTE ADDRESSES 7 FEB PDC RALLY IN SAN SALVADOR

PA080140 San Salvador Radio Cadena YSKL in Spanish 1908 GMT 7 Feb 87

[Speech by President Jose Napoleon Duarte during a Christian Democratic Party (PDC) rally in San Salvador -- live]

[Text] Not everybody has arrived yet; there are still people at the stadium; and already there is no more space in this park. I believe people are going to another park because this one is full. [shouts]

This is the largest demonstration in the history of our homeland, El Salvador, and it is because this is a momentous time in the life of our homeland. Salvadorans, PDC companeros from all parts of the country: You elected me, and that is why I am the president of the Republic. There are a few who covertly -- because they are not brave enough, although they call themselves MAN [National Action Movement] -- have tried to make me resign. However, I have told them that I was elected. [shouts] I was elected by the people, and I will turn over the government to whomever follows me through the democratic process, and not through coups d'etat or through pressures of any kind. Those sectors must realize that Napoleon Duarte will not be forced to resign, and he will not resign. [shouts] Those sectors trying to divide the people, trying to destabilize the nation, should realize this demonstration shows them how mistaken they are, that the people are here, the people want reform, and the people want democracy, peace, liberty, and justice. [shouts, applause]

PDC companeros from throughout the country: You elected me, and you did not elect me for nothing, you elected me to govern, and I am governing. [shouts] You elected me knowingly, and I once told you right in this plaza that things would not be easy. I said we would face difficulties, and you understood. When you elected me, you knew that we would have to sacrifice to resolve our problems. I told you then -- you should remember -- that if there are people who have gone to the mountains with a rifle in their hands and who are willing to die for what they believe and for their ideas, we, the Salvadoran people, the PDC members, are also willing to suffer and to struggle for a democratic revolution. [shouts] So these rightist sectors should understand they are not going to deceive the people with their lies, that the people know I am governing for the benefit of the majorities, and the people are willing to fight with me. Although we may have to suffer together, we will achieve a democratic revolution. [shouts]

Dear companeros: This is a wonderful day, because this is a clear demonstration that you are fully aware of the historic moment we are facing. What is at stake is not an election, a president, a candidate, deputy, or mayor. More than that is at stake. At this time, dear friends, the Salvadoran people must decide. They must decide on the policy, ideology, and proposals made by the radical extreme right, which has infiltrated the unions and which is using the names of producers and the country's productive sector in an attempt to destabilize the people. That force exists and it is there.

They sent me a letter the other day in which they said the solution to the problem is easy, that I just had to give up my stubbornness and agree to backtrack on the agrarian reform. Let them take a long look. Let the journalists take a good look. Let the journalists see, so they can learn the message. Let the international journalists witness that I am not the one who replies to them.

Do you want the agrarian reform to end? Do you want to backtrack in the nationalization of coffee? Do you want to backtrack on sugar? Do you want to backtrack on the democratic process? Do you want the rich not to pay taxes? Do you want them to pay taxes? [crowd shouts "yes"] That is the reply. [shouts] That is the reply.

Salvadoran people, journalists: You have heard the people's reply, and I was elected by the people because the MAN people have never voted for Napoleon Duarte for president of the Republic. [chanting, shouts]

Therefore, we are not going to go backwards in the fundamental concepts of social reforms; we are not going to move backwards in the agrarian reform; and are going to comply with the Constitution, which says we must continue with the second phase of the agrarian reform. [crowd shouts "yes"] We must give answers to the people, because we must realize that those who are now calling for a coup d'etat, those who are now calling for a backtrack in the reforms are the same ones we governed this country for 50 years. They were responsible for the military and oligarchic dictatorship in this country; they are responsible for the thousands of young men who are dying in the mountains, both soldiers and guerrillas. They are to be blamed, and now they must understand that only with their contribution and help will we be able to move ahead.

Dear friends: Even though we, the Christian Democrats, do not back away from the important problems, we are not uncompromising. Therefore, in the same manner I spoke here to the PDC congress a couple of weeks ago, and before this great PDC assembly, I tell the country's business sectors: Do not remain behind in history; the people are here, and we would like you to be here at our side so that together we can make the changes this country needs.

Dear friends: I know that I have your support when I ask the businessmen to join us in our democratic effort to stop destabilizing the country. Raise your banners if you agree with this. [people shout Duarte's name] Gentlemen of private enterprise: This proves that locking up your stores and refusing to sell to the people will not get the people on your side. The people want you here. The people want you at their side, together to make changes, together to change the situation of the country. But the people do not want confrontations. The people do not want a bloodbath. All we want is to find peace, and peace can only be achieved with tolerance and harmony. This is why, at this moment, I am calling on the productive sectors of the country and asking them to put aside their false leaders who only want to harm the country. They are only trying to lead the country to the verge of an abyss and see it fall. The businessmen must understand that this is not good. The businessmen must realize they make a living off the people, and if the people do not have work, money to buy food, or land to work, then the businessmen will be affected, the industrialists will be affected. I wish to tell them we need them here, and invite them to join us so they can work at the side of the people.

Once again I call on those who are in the mountains. I ask them to stop and think. I think all of you are aware of what the rightist and leftist sectors did to stop this rally. But they failed in their attempts. The called a strike; they tried to stop you from coming from Morazan, La Union, San Miguel, and Usulutan; but they failed. They called a strike to try and stop those who came from the west, from Metapan. Despite the bullets, the people came here. They were not able to frighten the people. This is very important. This has been a message for the extreme left. This has been a message for the guerrillas. This has been a way of asking then to come down from the maountains, leave the... [3-second break in reception]... and come here and be at the side of the people helping them to make the social changes that the homeland needs. [people shouting slogans] Raise your banners if you want the extreme leftists who are up in the mountains to put down their weapons and come down here and accept the ways of democracy. [people shouting slogans] This has been the message for the extreme left.

Dear friends: Thank you very much for this demonstration. My thanks to all the institutions; thank you rural and urban workers; thank you agrarian reform land owners; thank you (?pineapple growers), today you have a piece of land; thank you workers, businessmen, and employees who have come here today to be with us.

My special thanks also to the leadership of the party, from the canton leaders to the top party leaders. You have fulfilled your duty. I conclude by saying: Companeros, I will continue forward, I will continue forward making changes. [people shouting slogans]

In conclusion, I wish to thank you all for this demonstration. I think we have made history today; however, our work has not ended. We must continue forward. I am going to open the doors for the rightists who may wish to talk to me and who wish to find a path of tolerance and harmony. However, I will never turn from my commitment with the people, the commitment I have with you. [applause] I will continue [people shouting Duarte's name] to search for peace with the left. I will try to make them join the democratic process. However, I shall never betray the democracy and freedom we enjoy. I shall never betray the country and people, and will continue to struggle for an irreversible democracy.

Friends and companeros: When you return home, take my message; tell the people what this demonstration has been like; tell the people your president obeys you and he will never resign from office, or be forced to resign from office, because the people are here, and this is very important for the people. Thank you dear friends, thank you all.

ACEVEDO INTERVIEWED ON CONTADORA, REGION

PA070220 Bogota EL TIEMPO in Spanish 4 Feb 87 p 7-a

[Report on interview given by Salvadoran Foreign Minister Ricardo Acevedo Peralta to Jesus Medina S. in Bogota on 3 February]

[Excerpt] [Passage omitted] [Medina] Given the latest events in Central America, how does your government view the future of the Contadora Group?

[Acevedo] I believe a very important political opportunity has appeared for the Contadora Group because of the changes in the U.S. Congress and the possibility that a political solution and not a military solution will be desired.

The fact that the situation in Central America is growing worse each day, that border incidents between countries are more frequent, and that there is growing international concern for the deterioration of the economies in the region, are favorable conditions for the participation of Contadora, especially for the new strategy that has been implemented after the recent visit to the region by the Contadora and Support Group foreign ministers and by the UN and OAS secretaries general. The upcoming meeting of the EEC in Guatemala and the summit meeting of the Central American presidents called for by Costa Rican President Oscar Arias are also favorable.

[Medina] What is the purpose of your visit to Colombia?

[Acevedo] We have come to Colombia to reaffirm our desire and our unchangeable decision to continue with the negotiations process and to confirm with President Virgilio Barco and Foreign Minister Julio Londono Paredes, as stated in the El Salvador communique, that we support Contadora's efforts. We are not establishing criteria nor proposing obstacles outside the bounds of the region's political inclinations. All we ask is that Nicaragua remove the obstacles it has placed, for example the lawsuits at the International Court of Justice against Costa Rica and Honduras and its attempts to destabilize Central American democracies. I believe that this situtation is what is keeping us from returning to the negotiations table.

[No question as published]

[Acevedo] No. I believe that the peace plan proposed by Costa Rican President Oscar Arias is within the context of Contadora. Among the strategies it lists are a cease-fire, an internal reconciliation, and end to "contra" aid; in other words, the same steps we had planned within the peace process. If we go ahead with President Arias' plan, we shall be consolidating the Contadora program, which might suffer some changes to the original draft, but would still retain those elements that are essential, such as multilaterality, simultaneity, universality, and regionalism in the solution of Central American conflicts. We therefore do not see any contradictory elements and do not believe President Ortega when he says that this plan goes against the Contadora strategy.

[Medina] How is the reconciliation process advancing in your country?

[Acevedo] We just completed another phase of the ongoing political dialogue that we maintain with the armed groups. This phase ended with the release of Colonel Avalos, who was kidnapped over 1 year ago by the rebels. This was the fourth attempt that has achieved positive results.

[Medina] Mr Foreign Minister, the rebels say that peace is difficult to achieve, because President Jose Napoleon Duarte does not have any political support. What is your opinion on that?

[Acevedo] President Duarte has ample political support. The Armed Forces support him, most of the people support him. He has the support of the United States, as well as that of the international community, to try to attain a political solution to the conflict. President Duarte and his government have sufficient resolve and strength to advance the political dialogue with the rebels to attain a negotiated solution.

[Medina] Is it a coincidence that you are here in Bogota while Salvadoran rebel representatives are also here? Or is it that international involvement is needed to solve the Salvadoran conflict?

[Acevedo] Perhaps the guerrillas are trying to get in touch with government officials, because in El Salvador -- in strictly military terms -- they have very few possibilities of attaining power through the armed struggle. Therefore it is logical for their representatives to seek international support to publicize themselves or meet with government officials unofficially. It is evident that the guerrillas' international image has greatly deteriorated, and their internal political participation is fragile. This is why they want to get in touch with Salvadoran Government spokesman. I was not given any instructions. I have no plans to meet with them, whatsoever.

[Medina] Alan Garcia, the president of Peru, a member-country of the Support Group, has shown a certain partiality towards Nicaragua. Can this situation obstruct the Contadora efforts?

[Acevedo] I think that we have to distinguish between multilateral and bilateral negotiations. I do not want to criticize President Alan Garcia. He expressed deference for Nicaragua, and he believes that the approval of the Constitution makes possible a new political participation in the development of a possible democracy in that country. This is his own opinion. However, it is not right to support Nicaragua, from any perspective. It is not right to give partial support to the detriment of other countries. We cannot forbid President Garcia from supporting Nicaragua, either on a personal or a bilateral level. The problem is that Peru is a member of a group composed of eight countries, and in this case it is not President Garcia speaking, but the Contadora and Support Groups. His attitude could be reproachable, because it could show a certain partiality. However, we have to distinguish between relations between two countries and multilateral relations, in which individual positions dissolve in light of the overall strategy that has nothing to do with individual positions.

[Medina] After a meeting with President Barco, Foreign Minister Acevedo Peralta said that the presidents of Costa Rica, Honduras, Guatemala, and El Salvador will propose a new peace plan "within the spirit of the Contadora Group," which allows Nicaragua to return to the path of democracy and maintain cordial relations with its neighbors.

Acevedo Peralta said that the plan contains the following phases:

Presentation of the plan by President Arias to his counterparts of Honduras, Guatemala, and El Salvador.

Approval of the project plan by the democratic countries of Central America.

Approval of the plan by the Contadora Group (Colombia, Venezuela, Mexico, and Panama), the United States, and the EEC.

Discussion of the plan with Nicaragua in an effort to make that country "recover its democracy and establish beneficial relations with its neighbors."

COLONEL AVALOS VIEWS CAPTIVITY, DIALOGUE

PA061540 San Salvador Canal Doce Television in Spanish 0300 GMT 6 Feb 87

[Report by Marco Antonio Guevara]

[Text] Recently released Col Omar Napoleon Avalos said on Thursday that he believes the incorporation of Salvadoran guerrillas through dialogue is possible. Avalos said he senses that FMLN combatants wish to rejoin their families. Although he still seems to be emotionally upset, Avalos said he was glad to return home. Col Avalos held a news conference with the national and international media to discuss his 15 months in captivity:

[Begin Avalos recording] After having lived 15 months with them, I noticed in the face and behavior of several of them the hope of incorporating themselves into a system that will include them. They have been included before, but the circumstances prevailing in El Salvador and the world allow me to speak in favor of someone and others in favor of others; each person goes wherever he wishes. [sentences as heard]. Therefore, at a given time, they decided to go there -- many of them have spent a long time there -- but they wish to have an opportunity to live in other conditions. They live in very poor conditions. In the end, this is very wearisome.

This is not a message from any of them, but I sense they also wish to live in an atmosphere such as ours. [end recording]

He said the treatment he received ranged from physical attacks to highly gentleman-like treatment. As for the food, he said that it depended on the situation. Avalos said that he considered himself kidnapped and not a prisoner of war, because the latter have certain privileges, resulting from the Geneva Convention, that he did not enjoy.

[Begin Avalos recording] To be a prisoner of war is one thing and to be a political prisoner or any other kind of prisoner is another thing. I was being kept as a prisoner of war. The label sounded pretty, because the principles of the Geneva [Convention] or something like that apply. I felt protected by this when I was told I was a prisoner of war.

However, I was not captured during a confrontation. My case is as if someone storms your house and forcefully takes you away. One would not be a prisoner, but a kidnapped person. The treatment differs. [end recording]

Col Avalos also reaffirmed his call to the government and the guerrillas to continue efforts to achieve peace with justice; otherwise, the situation will further worsen to the detriment of all.

BISHOP ROSA CHAVEZ SPEAKS ON AVALOS, PDC MARCH

PA081813 San Salvador La Voz Panamericana in Spanish 1400 GMT 8 Feb 87

[Sunday homily by San Salvador Auxiliary Bishop Msgr Gregorio Rosa Chavez at the Metropolitan Cathedral in San Salvador -- live]

[Excerpt] [Passage omitted] Let us discuss this week's developments.

We continued our work this week as part of our effort to be faithful to the church's mission, which is to be the salt of the earth and light of the universe.

The week began with the exchange of 57 prisoners for Col Omar Napoleon Avalos. This development, which caught the country's attention, marked a milestone and a new beginning, particularly for our archbishop. On the one hand, it marked the end of a prolonged, patient, and arduous effort; on the other hand, it opened a new possibility for making progress to humanize the conflict and to seek peace through dialogue.

The media reported on the initial reaction of the officer who was freed. His reactions have made an impact because they were not preconceived remarks but heart-felt words that took shape during a long and harsh experience, which he does not even wish on his worst enemy. I dare say these reactions were the result of an encounter with Christ. They reminded me of meetings I have had with people who have lived through equally trying experiences, who neither harbor rancor nor demand revenge. Instead, these people's capacity for understanding and pardon have grown, as well as their spirits of fraternity and their desire for peace.

This year we have witnessed progovernment and antigovernment marches and actions that have made divisions deeper. Reactions like that shown by Col Avalos can bring out the best in Salvadorans, thus becoming a valuable contribution to the cause of peace.

Col Avalos' behavior did not give rise to controversies with mass repercussions. However, that was not the case with the Christian Democratic Party march. That march, which closed another week of national history, will undoubtedly be the subject of bitter arguments over the next several days. Personally, and making an overall judgment on all the demonstrations of force we have observed over the past several weeks, I see that two important principles were violated: First, the right to honest and full information on the reasons for the demonstration; and second, respect for free determination to participate in those demonstrations.

I see a similar problem in the transportation stoppages imposed by the guerrillas. They violate the freedom of Salvadorans, who are prevented from circulating on the country's highways, occasionally by force of arms. This leaves a dramatic toll of dead and injured.

Msgr Rivera y Damas' proposal is very different. He has suggested a broad national debate in a climate of serenity and level headedness to seek what is best for our country. This debate implies furnishing the people with honest and full information and allowing them to express themselves through the media. It also implies deep respect for the people's dignity and thus, for their freedom. Unfortunately, we still do not have the basic conditions for an agreement among society's active forces. Our bishop's proposal is an appeal to the human values of the Salvadorans. In Christian terms, it is a call to those who, calling ourselves Christians, will really be the salt of the earth and light of the universe. [passage omitted]

VENCEREMOS REJECTS 'DEFAMATION' CAMPAIGN

PA081805 (Clandestine) Radio Venceremos in Spanish to El Salvador 1400 GMT 8 Feb 87

[FMLN Press Bulletin]

[Text] The FMLN rejects the defamation campaign. During the past few days the FMLN has been the subject of a defamatory campaign that accuses the organization of human rights violations, such as the massacre of seven coffee cutters on a farm on the San Vicente volcano. In this regard we report the following:

1. The FMLN rejects the defamatory campaign promoted by the government through the Culture and Communications Ministry and the national and foreign media.

2. This campaign is aimed at influencing the UN Human Right Commission, which has scheduled a meeting for March in Geneva, where it will examine the Salvadoran Government's human right violations. Such violations are damaging to the country.

3. It is precisely the Armed Forces which have waged a war against the people, murdered them, and massacred the civilian population. This is demonstrated by the following recent incidents:

A. The massacre that left a total of seven dead and four wounded, eight of them minors, by Salvadoran Air Force helicopters which on 22 January shamelessly bombed areas of San Diego, Laguna Seca, and La Ceiba, in the municipality of Carolina in the northern part of San Miguel Department.

B. The bombings on 28 January of the civilian populations of San Nicolas, (Casanova), La Escopeta, [name indistinct], all in Cabanas Department, in which several people were killed or wounded and their homes and crops destroyed.

C. [Passage indistinct] On 24 January FMLN fighter Eugenio Ramirez Anaya was wounded in a massacre in the (Las Meseras) area, San Juan Municipality. He was taken to the headquarters of Military Detachment No 20 where he was murdered and thrown out of a helicopter [words indistinct] in the same department.

4. According to the reports received by the FMLN, the massacre of seven coffee cutters on the Las Colinas farm on the San Vicente volcano, was carried out by Army troops who passed for guerrillas. That crime [words indistinct] the mass murders in [name indistinct], (El Azote), (La Soga), Copapayo, carried out in the course of the war by the puppet Army that has learned to murder their U.S. advisers, [words indistinct] of low intensity

FMLN Press Office, 7 February 1987

REPORTAGE ON 7 FEB FMLN TRANSPORTATION STOPPAGE

Guerrillas Block Traffic

PA071437 San Salvador Canal Doce Television in Spanish 0300 GMT Feb 87

[Report by Carlos Armando Rivera]

[Excerpts] During the first day of the transportation stoppage on the country's main highways -- the third so far this year -- FMLN guerrilla commanders stopped a bus today near Vieytez Theater. According to reports, three men carrying .45 caliber pistols got on a Route No 22 bus. Near the San Antonio Abad Street they forced the driver to park the bus. This is the second such incident in 7 days in the capital city and it happened at 0730 this morning. The guerrillas hoisted a banner and gave out leftist progaganda.

The guerrillas blew out the tires of the bus, blocking traffic in that area. Moreover, they placed a small explosive charge on the steering wheel. National Police commando units deactivated the explosive [passage omitted]

The FMLN declared the new transportation stoppage to protest and reject the registration for the electoral identification cards. According to clandestine Radio Venceremos, the cards serve to locate youths to draft them into the Army.

Moreover, sources in the bus terminal stated that the capital city's transportation services have been operating at 10 percent capacity toward the eastern zone and 20 percent capacity toward the western zone of the country.

[Begin recording] [Rivera] How is the transportation service toward the country's eastern zone, toward San Miguel, in particular?

[Unidentified speaker] Only four buses have left. No more than that. We may go. However, the problem is that even if we want to work there are no passangers. We cannot leave. We could leave, but that would mean taking chances. [end recording]

Because of the new transportation stoppage, the Army has increased military operations. One of these is the highway plan [plan caminante], which seeks to provide more security to bus drivers traveling toward diverse areas of the country. The transportation stoppage declared by the leftist guerrillas comes 1 day before the Christian Democratic Party is to stage a demonstration on the city's streets to support the new taxes of the Jose Napoleon Duarte government.

Venceremos: 'Stoppage Successful'

PA070419 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 7 Feb 87

[Text] The national transportation stoppage is successful. Over 90 percent of transportation nationwide is stopped: not a single drop of fuel, not a single (?pound) of foreign trade, not a single bag of cement. All activities are paralyzed in the 14 Salvadoran departments as a display of the highest expression of revolutionary power.

[Words indistinct] attack that rejects conscription and the strategic efforts that the High Command is making by using voting registry information to take Salvadoran youths from their homes and force them to join the Duartist Army. The High Command is condemning those youths to live as war wounded for the rest of their lives or to die on the battlefield in defense of the interests of generals, Duartists, and oligarchs. They defend interests that are never defended by the children of those exploiters.

We publicly challenge Engineer Duarte to tell us where his [word indistinct] are? Where is the son of minister [word indistinct]? Where are the children of General Blandon? Where are the oligarchs' children? In which quarter? When was only one of those exploiters' [word indistinct] recruited during the last few years of war?

FMLN Announces End of Stoppage

PA090229 (Clandestine) Radio Venceremos in Spanish to El Salvador 0030 GMT 9 Feb 87

[Text] Your attention please. Radio Venceremos will now transmit an important announcement by our general command. Pay close attention, national and international press, transporters and people in general. Pay close attention:

Effective in the early hours of Monday, 9 February, all roads in our national territory will be reopened. We repeat: The nationwide transportation stoppage is over. Starting in the first hours of Monday, 9 February, the roads in the 14 Salvadoran departments will be reopened. After 3 days of the successful transportation stoppage, the general command has announced the lifting of this measure.

The nationwide transportation stoppage is over. For 3 days, the FMLN paralyzed transportation on Salvadoran roads. This was the third stoppage carried out during the Heroic January, Farabundo Lives current political-military campaign. The paralysis of foreign trade, the transportation of sugarcane, coffee, fuel, cement, and other products resulted in million-dollar losses for the Duartist regime's economy of war. At the same time, the Army troops were being worn down during attacks on the main national roads.

With the effectiveness of the last three transportation stoppages, the FMLN reiterates the expansion of its political-military power in the 14 Salvadoran departments, Salvadoran cities. The Army has been unable to prevent the transportation stoppage on the roads, and soon our transportation stoppage will reach the cities.

Official Scores Stoppages

PA062000 San Salvador Canal Doce Television in Spanish 0300 GMT 6 Feb 87

[Report by Ivonne de Chavez]

[Text] Mr Jose Ricardo Palomo, the new director of the National Ground Transportation General Directorate, has said the transportation boycott announced by the guerrillas for tomorrow will not be successful. He claimed these boycotts are gradually losing strength because businessmen need to stay open to make profits and the people demand this service.

[Begin Palomo recording] I assure you that this time around the guerrillas will be less successful than during their last stoppage. Each successive stoppage staged by a polarized sector will undoubtedly lose strength gradually. Sincerely, the guerrillas should rethink this kind of action because the poorest people are the real victims, such as sick people and other people facing serious situations of which we are not aware. They need transportation to move about. The poorest people are the most affected when the transportation stoppages are called. [end recording]

Palomo added that they cannot punish transportation businessmen refusing to offer their service because their vehicles have been damaged on various occasions. It is logical that they wish to protect their work resources.

As for the problem on route 101 where drivers and money collecters will be punished for mistreating service users, he said the issue is already in the hands of the transit director, who will take the appropriate measure including the suspension of drivers licenses and money collectors' identification cards and take away permits to service the route.

Palermo also said his office will implement control measures announced by Dr (Plana Butter), the former ground transportation director, on public transportation vehicles that are contaminating the air with black smoke. Any other measures favoring the users will be implemented as well.

COPREFA REPORTS TERRORIST ACTIVITIES, CASUALITIES

PA030050 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 2 Feb 87

[Coprefa Report]

[Text] The following is a summary of the events that took place last month throughout the country:

A total of 91 terrorists were killed, 48 were wounded, 10 surrendered, and 2 were captured during various counterinsurgency military operations. In addition, 90 rifles of various calibers, 2 RPG-2 rocket launchers, 122 mines, 59 blocks of TNT, and 3 Yaesu radios were seized.

During various terrorist actions, the FMLN killed 60 civilians, wounded 24, and kidnapped 51 persons. Five civilians were killed and 26 were wounded when they stepped on explosive revolutionary peoples' mines.

The terrorist groups continue destroying the national economy. They attacked 30 privately-owned vehicles, set one house on fire in Huisiltepeque Canton, Cuscatlan Department. They also set fire to the ANTEL [National Administration for Telecommunications] offices in Sesori, and a coffee mill in Gualcocti, Morazan Department.

Coprefa also reports that subversive groups kidnapped (Holguin Cruz), the mayor of San Francisco Javier in Usulutan, on Friday, 30 January as he was returning home. In this same place, the terrorists set the municipal mayor's office on fire, and destroyed the files, as well as a warehouse containing tools, office equipment, and other supplies.

Extremists also murdered Mauricio Grande, and later raped Marita Lozez at 2100 on Saturday at the (Chiclook) residential district, number 2 in Apopa, north of San Salvador.

Two terrorists were killed when they clashed with the 5th Infantry Brigade troops who were patrolling the area of La Quesera farm, near San Vicente. The soldiers seized one M-16 rifle, one AR-15, 32 explosive traps, clips, and ammunition.

Meanwhile, troops of Military Detachment No 4 stationed in San Franciso Gotera uncovered an underground warehouse filled with a large amount of material for manufacturing explosives, including aluminum chlorate, batteries, wires, fuses, gunpowder, plastic containers, as well as makeshift stretchers. The undergound warehouse was found near Los Abelines hamlet, Guatajiagua Jurisdiction, in Morazan Department.

NEW PACT SIGNED BY FMLN-FDR ALLIANCE

PA260404 Mexico City EL DIA in Spanish 24 Jan 87 p 12

[Text] Panama City, 23 January -- When the CIA, Pentagon, and Salvadoran Army analysts revise, design, or evaluate their strategies, one of the central points of their discussion is the state of the alliance between what they consider the "political wing" (FDR) and the "military wing" (FMLN) of the Salvadoran armed opposition. They consider the breaking of this alliance, formed in 1980, a basic "strategic goal," in which they invest hundreds of thousands of dollars in intelligence, infiltration, and propaganda.

However, while the Jose Napoleon Duarte regime is confronted with an accelerated process of decomposition, the "revolutionary-democratic" alliance is consolidated, according to its main leaders; a new pact between the two organizations (FDR-FMLN) "updates" the terms under which it was established.

Alasei [Latin American Agency for Special Information Services] has conversed about this process with FDR President Guillermo Manuel Ungo and Commander Ana Guadalupe Martinez, of the FMLN Political-Diplomatic Commission. The two leaders agreed in stating that "the possibilities of victory are becoming more evident all the time, and this constitutes the central component of the democratic-revolutionary unity." They emphasized the "pluralist" nature of the alliance that allows for dissidence and even public constructive criticism.

Commander Martinez emphasized the historical nature of the alliance and admitted the need to update it. She stated that when the alliance was established in 1980, it was done "with victory just around the corner and based on the program of the Revolutionary Democratic Government (GDR), but it was not very exact and clear concerning the nature, the relations, the level of the commitments, the method, and how it would be handled."

According to the guerrilla leader, certain situations have arisen in these past 6 years that have had decisive repercussions in the revolutionary process, and in the behavior of the organizations: "The unity of the FMLN as a party becoming a more specific and definite idea everyday, the conflict's continuation, the development of the counterinsurgency, the growing U.S. intervention -- all of these establish a new framework that makes it necessary not to propose again the alliance [as published], because the facts confirm the need of the same, but also of updating it and specifying the commitments and adjusting the work mechanisms.

Ungo, in turn, said that "the scene of the action has been modified, but not its outlook," emphasizing that both the U.S. and the Salvadoran Governments have waged a campaign based on rumors to the effect that there are alleged internal difficulties within the unity. He emphasized that "the division of the fronts and the separation of the components of the alliance is the topic of a permanent task that could be very well considered a central element of U.S. policy."

Linked to Socialist International, the leader stated that in Central America, "one cannot be a social democrat without being a revolutionary." On the other hand, he pointed out that both the U.S. analysts and the officials of the Duarte government are "incapable" of judging the events well. "They do not interpret the dissidence within the framework of pluralism, but within decomposition." He aded: "It is the Duarte government that is decomposing, because the counterinsurgency program that he personifies and represents is jeopardized."

The vice president of Socialist International added: "Forecasting a complex period, but with the possibilities of victory being more clear all the time, decisions were taken and updated; basically, we admitted the need for closing ranks. Then, (in 1980) in the face of the dictatorship, and now, in the face of the counterinsurgent program, priority was given to presenting a united, national, anti-oligarchic, and anti-imperialist program to our people.

For her part, Commander Martinez admitted that the process of forming an FMLN political party is progressing, with the idea of having a sole party, based on the five different organizations, and this brings up several variable factors "that are still pending discussion" within the alliance, because all of the organizations that form part of the FDR, "as opposed to us, have decided to remain as independent and autonomous parties."

The basic thing, however, according to both leaders, is that the process of making the decision and leading the alliance "has led to a joint politico-military analysis," and a consensus to decide on the way the actions should be taken, always preserving the right to dissent and party autonomy.

Ana Guadelupe Martinez pointed out that "the FDR wondered if it should participate in making decisions, particularly in military manners. One must consider that inasmuch as there are political organizations (in the FDR) and politico-military organizations (in the FMLN), this complicates matters tremendously. However, a decisive element of the revolutionary people's war is the fact that it does not deny the fact that the joint decisions have to do with the political aspect, where the FDR has played and plays a decisive role."

The much-discussed issue on whether or not the FDR will participate in the elections must be considered, according to Ungo, as another element of the distortion campaign launched by the United States. "In our 6-point proposal announced a few months ago, we brought up the need for a solution among the Salvadorans and an end to U.S. intervention as a condition without which it would not be possible to hold free elections in the country. At that time, within the framework of the counterinsurgency, the elections would be a 'test' that there is democracy in the country, something that is absolutely false."

The social democratic leader emphasizes that there is no question that there is a need for the FDR to increase its presence in the interior of the country. We are already working on that respect. "The political crisis of the counterinsurgency program, the outlook of victory, the need for further broadening our alliance to reach all sectors -- all of this imposes on us a challenge to improve our political and military actions. The year 1987 promises to be a year of serious and decisive events," Commander Martinez concluded.

GUATEMALA

APPOINTED NICARGUAN ENVOY'S APPROVAL WITHHELD

PA060411 Panama City ACAN in Spanish 0156 GMT 6 Feb 87

[Text] Guatemela City, 5 Feb (ACAN-EFE) -- A government source has reported that the Christian Democratic government of Vinicio Cerezo has refused to give its approval of the new Nicaraguan ambassador to Guatemala, "because of pressure from the Catholic Church hierarchy." The Sandinist government appointed Jesuit Priest Edgar Parrales as the new ambassador to Guatemala to replace diplomat Orlando Rojas.

However, Cerezo's government denied the approval "following a suggestion made by Archbishop Prospero Penados del Barrio, because the Vatican has forbidden church members to participate in partisan politics," the source that chose to remain anonymous said.

The Guatemalan Foreign Ministry has shown reserve regading this case, "because according to international diplomatic agreements, it is an affair that cannot be revealed," the government source said.

The situation, which could cause tension between the Guatemalan Government and the Sandinist regime, was discussed yesterday by Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco and President Vinicio Cerezo. Tinoco stayed in Guatemala City for approximately 8 hours. Tinoco refused to talk about the true reason for his visit. He said that he had discussed "issues of interest for the two countries" with President Cerezo.

However, Raul Guerra, the adviser of Nicaraguan Foreign Minister Miguel D'Escoto, arrived today in Guatemala City to hold a closed meeting with Guatemalan Foreign Minister Mario Quinonez Amezquita. The two officials said that they would not make any statements to the press regarding their discussion.

HONDURAN TROOPS CROSS BORDER, SHOOT CITIZEN

PA061930 Guatemala City PRENSA LIBRE in Spanish 6 Feb 87 p 50

[Text] A Honduran military patrol entered Guatemalan territory, shot and seriously wounded a Guatemalan, kidnapped another, while yet another managed to escape, according to reports made by Alonso Ramos, alternate mayor of the Los Pitos border village, to the governor of the capital of Chiquimulas yesterday afternoon.

According to the official report on the incident, there is clear evidence of the violation of Guatemalan territory by Honduran troops, who upon seeing Irineo Ramirez seriously wounded believed him to be dead.

Residents of the area who heard the shots, among them Pedro Alonso Ramos, the alternate mayor, came to the aid of the wounded man, who explained how the Honduran soldiers shot him, stole his money, and took Cruz Guales by force. Rigoberto Vasquez -- whom the soldiers fired at but did not wound -- managed to escape, Ramirez said at the Chiquimulas hospital, where he is recovering.

Alternate Mayor Ramos informed Roberto Obdulio Sagastume, mayor of Esquipulas, of the incident. Sagastume immediately went to the capital of the department to inform the governor "so that these actions, constantly committed by Honduran soldiers who invade Guatemalan territory, can be made known one and for all."

The governor of Chiquimulas met with Irineo Ramirez, who said that he and the other victims are merchants. He added that Honduran patrols first open fire in Honduran territory and then enter Guatemala to steal whatever they can find.

Ramirez said that the Honduran soldiers stole 30 quetzales from him, but that his main concern is for his friend Cruz Guales, who was forcibly kidnapped.

He said that he and the other two victims were born, raised, and settled in our fatherland, and he asked the government to initiate an investigation of this constant harassment by Honduran soldiers.

HONDURAS

GOVERNMENT PROTESTS NICARAGUA'S 'INSULTING' NOTE

PA070119 Panama City ACAN in Spanish 2234 GMT 6 Feb 87

[Text] Tegucigalpa, 6 Feb (ACAN-EFE) -- Honduras made a protest today to the Nicaraguan Government because it considers a note that describes Honduras as a "neocolony" of the United States "insulting."

Honduran Foreign Minister Carlos Lopez Contreras sent a protest note to his Nicaraguan counterpart, Miguel D'Escoto, which states that the Sandinist expressions "insult" the dignity of the Honduran people and government.

According to the protest, "to describe as neocolonies the Central American democracies that have chosen governments freely elected by the sovereign will of their peoples is to try to distort the political reality of the isthmus, without prejudging the reasons it may have had for publishing the note in reference."

The Sandinist statement issued early this week pointed out that the exclusion of Nicaragua from the forthcoming Central American summit in San Jose on 15 February is evidence of the role being played by the U.S. "neocolonies" Honduras, El Salvador, and Costa Rica. In the same declaration, Nicaragua asked Guatemala to continue its policy of active neutrality with respect to the regional conflict.

The Honduran protest was delivered yesterday to the Nicaraguan ambassador to Honduras, Danilo Abud Vivas.

The Honduran Foreign Ministry reiterated to the Nicaraguan Foreign Ministry that President Jose Azcona Hoyo will attend the "Central American summit of democratic leaders to be held in San Jose," at the invitation of Costa Rican President Oscar Arias Sanchez.

According to Lopez Contreras, the aggressive tone of the Nicaraguan note "contrasts with the discretion observed by the Honduran Government when the Sandinist leaders have held fraternal meetings in Managua or abroad with representatives of the most repressive totalitarianism in the world."

ARMY DENIES TROOP INCURSION OF GUATEMALA

PA062002 Panama City ACAN in Spanish 1842 GMT 6 Feb 87

[Text] Tegucigalpa, 6 Feb (ACAN-EFE) -- The Honduran Armed Forces today denied that Honduran soldiers entered Guatemala as that country has reported. According to press reports from Guatemala, Honduran troops entered the eastern part of Guatemala, which shares a border with Honduras, wounding a peasant and kidnapping another. Esquipulas Mayor Roberto Obdulio Sagastume said that Honduran soldiers constantly enter Guatemala to frighten the residents of small towns on the border between the two countries.

An official spokesman for the Honduran Armed Forces told ACAN-EFE that "it is false" that local soldiers have entered Guatemala. The spokesman explained that Army patrols recently detained Cruz Guales Ramirez, a Guatemalan who was involved in contraband on unspecified products, along with two other individuals who fled into Guatemalan territory.

"It is not true that Honduran troops crossed the border and entered Guatemala," the Army source said. The spokesman added that Cruz Guales Ramirez will be sent to Tegucigalpa for questioning.

The Honduran Army has established strict vigilance in the areas near their customs installations on their borders with neighboring countries to counteract the wave of contraband, the spokesman said.

In the course of the day the Armed Forces will issue a communique stating the details of the report made by the mayor of Esquipulas. Esquipulas is an eastern region 222 km from the Guatemalan capital, on the border with Honduras, and in that area the authorities have on several occasions detained nationals and foreigners involved in the contraband of cattle, coffee, clothes, and other products.

NAVY WOUNDS SALVADORAN, CAPTURES 2 OTHERS

PA051748 Panama City ACAN in Spanish 1603 GMT 5 Feb 87

[Text] Tegucigalpa, 5 Feb (ACAN-EFE) -- It was reported here today that a Honduran Navy patrol boat wounded one Salvadoran and captured two others while they were engaged in illegal fishing in Honduran waters. The Salvadorans, who had also stolen mangrove [mangle], were arrested 3 February in Jicotillo, Chismuyo Bay, Valle Department, in the waters of the Gulf of Fonseca.

According to the Navy, the patrol boats directed light fire at the fishermen, who fled. Jose Antonio Gutierrez was wounded and Godofredo Lazo and Luis Gomez Flores, also Salvadorans, were captured together with Alberto Escobar Reyes, a Honduran. Those arrested were taken to a Navy Base where one received medical attention while two others were questioned and subsequently turned over to Navy authorities of the port of La Union in El Salvador.

The Honduran Navy reported that the three Salvadorans and the Honduran engaged in stealing mangrove and illegal fishing, depleting Honduran natural resources.

NATIONAL PARTY CONVENTION CRITICIZES GOVERNMENT

PA061700 San Pedro Sula TIEMPO in Spanish 5 Feb 87 p 4

[Text] Tegucigalpa -- Yesterday in this capital the country's leading opposition party opened its national convention with discreet criticism of Jose Azcona Hoyo's government. The convention will continue on Saturday and Sunday in San Pedro Sula.

The delegates, all Callejistas [Rafael Callejas followers], opened the convention at the National Party's headquarters in the Obelisco de Comayaguela neighborhood where a festive atmosphere prevailed, and the music of Rafael Leonardo Callejas' past presidential campaign was played.

At the meeting, attended by 80 of the 128 elected delegates, a board of directors was named to lead the debates during the national convention. Arnoldo Gutierrez was named president of the convention; Nora Gunera de Melgar, vice president; Raul Medina, first secretary; Andres Torres, second secretary; and Porfirio Lobo and Mauricio Calix, deputy secretaries.

At the convention inaugural, the Callejistas criticized the Liberal government and expressed their frustration over Rafael Leonardo Callejas' failure to achieve the presidency. Oscar Madrid Turcios, deputy and delegate from Cortes, said during his speech that Callejas Romero is "the legitimate president of Honduras" and expressed the hope that "we will ratify him in 1989."

Rafael L. Callejas Romero, president of the Central Committee, swore in the directorate of the national convention. Then the grand convention inaugural decree was read.

One of the most important points of this convention is the approval of a draft of the National Party laws, in which the party's structure is adapted to the reforms of the Electoral and Political Organizations Law.

In a brief speech, Callejas Romero said that the National Party has adopted the attitude of preventing "confrontations." Callejas said that the party's attitude is aimed at making its leaders and candidates to public office products of "popular support," respecting the will of the majorities

He also said that the Central Committee has spoken to political sectors in search of a nationalist presidential candidate. It is known, other sources said, that Callejas has met with Oswaldo Ramos Soto, Leonardo Matute Murillo, and Fernando Lardizabal, among others.

Upon presenting the Central Committee's 1986 report, Callejas said that the nationalist party is fully organized, the issuance of cedulas [identification cards] has been worked on, and is prepared to "put him in power in 1989"

Roberto Martinez Lozano, the Callejista deputy from Yoro, said that the Liberal government has not fulfilled the promises made to the Honduran people during the electoral campaign. He said that the government party has not been able to achieve internal organization, which has been reflected by the administration.

At the conclusion of the few speeches made as the convention, a special decree to transfer the convention headquarters to San Pedro Sula was approved. Miguel Guerrero, who read the decreee, also said that "the Liberals are poor leaders."

The nationalist convention, totally controlled by the Callejistas, will continue on Saturday morning at 0900 at the National Trade Union Federation of Honduran Workers (Festiranh) civic auditorium.

Motions, plans, and opinions wil be discussed at the convention. One of the plans that will be discussed is the group of new laws that will establish a minimum of 3 years of militancy as a prerequisite for candidates to the Central Committee directorate

These laws will also establish the requirement of 2 years of militancy for departmental leaders, and 1 year for municipal leaders. There will be no militancy prerequisites for candidates to public office.

NICARAGUA

ORTEGA'S 'FACE THE PEOPLE' VIEWS ECONOMIC POLICY

PA041835 Managua Sistema Sandinista Television Network in Spanish 0030 GMT 3-4 Feb 87

["Edited for TV" statements by President Daniel Ortega Saavedra, Planning and Budget Minister Dionisio Marenco, and unidentified people during the "Face the People" program held at the Heroes Room at the Presidential Palace in Managua on 29 January; broadcast in two installments -- recorded]

[Excerpts] [Ortega] As part of what we could call a process of greater economic stabilization, during the last 3 months of 1986 we drafted, debated, and approved the economic plan for 1987. At this time, we felt it convenient to present this plan, which has already been explained to several sectors and branches, and thoroughly discuss it with all the sectors involved in the productive process. This meeting is mainly aimed at discussing the 1987 economic plan. Therefore, at this time we will not discuss the issue of the war. That issue is already clear. We are interested in discussing the effort all the Nicaraguan people must put forth in the area of production to guarantee the fulfillment of the goals expressed in the 1987 economic plan. This afternoon Comrade Dionisio Marenco will give you a brief explanation of the plan. After the explanation we will begin the dialogue.

[Marenco] The truth is that the 1987 economic plan is part of the situation Nicaragua is facing. We have tried to approach, as best we could, the various economic, political, and military problems affecting our country. We have done this in order to draft the best plan possible. We began on the basis -- and it is important to always keep this in mind -- of a very backward, underdeveloped economic structure which, no matter how many or how great the efforts made, will not be changed in the short term. That is a legacy we must drag along. We began on the basis of a military aggression -- the balance of forces of which has undoubtedly shifted during the past year, but not without having left in its wake a sequel of heavy damages. We also began on the premise that deep social changes are being effected in Nicaragua that alter the conventional rules of the game, without an understanding of which it is impossible to draft economic strategy.

The general guidelines of the 1987 economic plan can be summarized as follows: First, top priority will continue to be guarantee the military defense of the revolution. As this has been explained in many places and you are aware of it, no major explanation on the causes for this rationale will be necessary. Second, the goal is to concentrate all of the country's efforts in guaranteeing the production of: first, export goods that will generate foreign exchange which in turn will allow us to produce in other economic areas; second, goods that prop up or support the country's military defense, that is, the full range of supplies and equipment for the Armed Forces; and third, basic goods for the population. The third guideline -- and it is important that it be clear because we believe it is one of the crucial things that must be attained -- is to strengthen the social base of the revolution by finding ways to recover basic levels of well-being for city and rural workers.

We believe that over the past several years, amid the aggression, the economic policies that have been implemented have in one way or another benefitted producers.

This includes devaluations, incentives for export production, and guaranteed price policies. We believe that we have hit the workers' sectors in the cities, countryside, and within the government very hard. This entails the risk that the workers will abandon formal structures and find ways to resolve their problems through informal channels, that is, through the third sector of the economy.

Another important guideline for this year is to strengthen the economy's leadership role by improving organization and administration in the productive and government sectors.

Finally, the most important negative trend we must correct is the financial imbalance we created with the measures adopted in 1985 and 1986. These generated an inflationary spiral that threatens the stability of the labor force, which in turn jeopardizes production because it has created too much uncertainty. This cannot be done overnight because it resulted from causes that accumulated over many years. However, we believe the time has come to begin a recovery process.

Another important thing we want to do this year is to consolidate and improve the mechanisms for the people's participation in the drafting of economic plans, in their discussion and in the discussion of their goals. This meeting is a first effort in that direction -- well, perhaps not the first effort, but one of the first, which will be followed by a number of meetings with various sectors, during which things will be discussed in detail. These will actually be discussions on the plans for 1988. We will not only discuss past plans, but future ones as well.

Its rationale is based on the fact that it is taken as a further element in the country's overall defense. We cannot look at it simply as a tool of an economic or macroeconomic nature or as guidelines for specific production sectors, but as part of a set of measures, activities, and rules that together constitute the country's defense against aggression.

The investments will have to be stopped until sufficient financing is available. Therefore, our wishes to meet the needs of our people in a myriad of areas -- for which we want to find solutions but do not have the means to do so -- will also suffer some delays.

Finally, attention continues to be focused mainly on external resources. In other words, external resources continue to be, let us say, the most critical part of Nicaragua's economic problem. These are, in general, the chief guidelines or rationale of the economic plan. We will now open a period of questions and answers on these problems and the problems of the economic policy in general.

[Ortega, in progress] ... the system of statements and then begin the dialogue. We are going to emphasize the plan that Comrade Dionisio presented a while ago in a quite succinct manner.

In the first place, we are going to refer to the fact that [words indistinct] the military aggression, as you will recall, a very important element was added in May of 1985. It was the blockade, the embargo officially imposed by the U.S. Government when President Reagan declared a state of emergency in the United States by means of a decree in order to proceed to impose an embargo on Nicaragua. This had a very serious effect on our country.

It was very serious in the sense that at that moment we had to rush to look for new markets in order to get the inputs, raw materials, spare parts, etc. that came from the U.S. market. At that moment we also had to rush to look for other markets to sell our shrimp, lobsters, bananas, beef, and sugar we sold on the U.S. market.

The effect, that is, the cost of the embargo after 1 year -- 1985-86 -- was over $100 million. We managed to stabilize the markets in 1986. We opened new markets and stabilized new markets. One of the most important battles, insofar as opening new markets was concerned, was the battle on bananas. We managed to sell bananas on another continent, it is true -- on the European Continent -- competing there with the major transnationals. In reality, Nicaragua's bananas are being sold there. We have managed to stabilize this -- at a cost, it is true. We had to pay a price, but we have managed to stabilize this.

We have managed to achieve this expansion thanks to the political will of the socialist countries, West European countries, Arab countries, and other countries. We have succeeded in expanding Nicaragua's markets. In other words, Nicaragua would really have no problem selling any volume of coffee, cotton, bananas, or any type of product. In fact, this year we are running short of products in light of the great market possibilities we have.

We have more access to markets than any other Central American country. The other Central American countries have more trouble finding markets to sell their export items than Nicaragua even though they can count on U.S. support. This is what we wanted to (?say) before giving the floor to [words indistinct]. [passage omitted]

[Speaker] We need the government's cooperation and understanding. Mr President, your explanation and Mr Marenco's statements depict a picture very rarely presented to the Nicaraguan people. What is presently happening in Nicaragua? Agricultural producers, who are the real source of wealth of this country and the source of dollars -- fodder converted into meat and in turn into dollars; from cotton to dollars, and the same applies to sorghum and products we produce here -- do not feel secure with land ownership. We want to work and produce; we need to receive facilities; we ask that injustices be reviewed. Neither Commander Wheelock nor yourself know about them. They involve poor people [las partes de abajo], as many government officials with whom I have met have told me. There are people within the government who can tell you what kind of worker I have been.

When I was 22 years old, I established this farm. Approximately 20 years later they began stripping me of the farm. Now at 56 [words indistinct] that I am suffering, they are stripping the farm from me and are leaving me unemployed. [applause] Therefore, there can be...

[Ortega, interrupting] You lost your only farm?

[Same speaker] No, that is the one with more [words indistinct] they are also stripping my wife and sister of their farms, because they are my wife and sister. [laughter and applause] I have the trial documents with me; I can show them to you.

[Ortega] You lost all your land? You were left with nothing?

[Same speaker] Yes, I am like [name indistinct]. [laughter and applause] If you wish, I can hand you photocopies of a suit I filed. With it, you can decide whether I am correct or not.

They applied Article 2, Paragraph 6 and (?8), of the Agrarian Reform Law on me. I should have been paid. I am (?not) asking that you return the farm to me; I need an opportunity -- there are other farms where I can work and be productive.

At present, there is the honesty to present the reality to the Nicaraguans. Therefore, we are laying a key card on the table. Let us continue to play that card. If mistakes have been made, let us discuss them and find solutions. Producers must feel secure to work. I thank you, Commander. I will hand you the documents of the trial and allow you to review them. Thank you very much. [applause]

[Ortega] I am told that you own a 2,000 manzana-property. Is that true?

[Answer indistinct]

[Ortega] You are presenting a specific problem involving the stability of producers. We have the documents you presented to appeal the Agrarian Tribunal; we will review them. You touched on a point that I have which I will now discuss.

Agrarian reform is a commitment of the revolution to Nicaraguan peasants. We are totally aware that some mistakes and arbitrary actions are being made. We have received reports on arbitrary actions and inappropriate applications, especially when there is a willingness on the part of the producer who owns land to produce and understand the problem. If a producer is aware that there is a certain number of peasant families demanding land -- and that this constitutes social pressure -- and is aware that the only land available is that land this is the easiest way to solve the problem of these peasants. This has been the case in resettlement areas such as Jinotega and Matagalpa -- we have sought agreements with those producers and have also used land inside state farms and institutions to settle those peasants who have been forced to leave their production areas as a result of the war situation.

Conscientious producers accept negotiations. They can be given other options to continue producing elsewhere, that is, be given land elsewhere to continue producing. Therefore, in this case, there is no reason for hindering negotiations if there is a willingness on the part of producers to resolve specific problems. We will review such cases. [passage omitted]

[Speaker] We are immensely worried about the deterioration of cattle-breeding, although we could say that small- and medium-sized producers still have their herds intact -- except for war zones, where there have been decreases. Why do I say this? Because small- and medium-size producers established in this country who are not thinking about leaving have been struggling to preserve their mainstay economy, which is cattle-breeding.

We are clearly aware that of the country's real situation. However, we believe that, among other limitations, resources must be rationalized and channeled to those who are really producing. We need a coherent pricing policy. Meat prices were just increased -- the final product, that is. A price increase in milk (?promised) us in December is being delayed.

We are in a disadvantageous position; We need 250 cordovas per liter of milk (?sold at the farm) to be able to survive. The UNAG [National Union of Farmers and Cattlemen] is proposing a more rational supplies policy fo the cattle-breeding sector. We ask that cattlemen have access to certain basic goods, because cattlemen, just as coffee producers, hire workers who are facing difficulties.

The political Constitution establishes the participation of the producers in the creation of policies. We, as UNAG producers, demand effective participation; we do not want to be called in to listen to the plans that are more realistic and easier to execute. This, concretely, is the statement the farmers want to make through UNAG. Thank you. [applause]

[Ortega] We understand your concerns. We are confronting the cattle problem in a very serious and responsible manner. We have held open assemblies with the participation of the different cattle sectors involved in the effort to seek solutions. This document contributes to this effort. It is not only that we have [words indistinct] the document; we have here a document that has contributed to it. It is a document that we will take very seriously in enriching the measures that have already been taken to resolve the problems of the cattle-breeding sector. Some measures have already been adopted. They are harsh and drastic, but they are already being implemented.

We are thinking about cattle-breeding, but not as a source of exports or a generator of foreign currency. Our position in regard to cattle-breeding is totally opposed to viewing the sector as a generator of foreign currency. This is not how we see it. We feel that the main issue here is to save our cattle. We are facing the complex, difficult situation of having gradually consumed our cattle. In Costa Rica, where the situation is much more stable than in Nicaragua, there is also a problem because the Costa Ricans say all of their cattle is being consumed. What must Nicaragua do? It must adopt measures to prevent the extinction of our cattle. We still have time. What does this mean? It means that we must restrict the meat consumption. However, we are not going to (?give away) or export all of the meat because we would [words indistinct] our cattle. We must restrict the meat consumption. We have adopted strong measures. For example, meat has been eliminated at state dining rooms, in the lunches served there. We have thought of export, not as a foreign currency generator, but to supplement the beef that will be restricted with other types of meat, and with the funds produced by the exports purchase the raw materials necessary to first of all guarantee the production of fowl. If the situation demands we could even import a little poultry. We have the problem here that [words indistinct] and at this rate within a few years there would be no meat.

[Speaker] The Agricultural and Livestock Producers Union of Nicaragua, Upanic, and Higher Council of Private Enterprise, COSEP, formed by associations of cotton, coffee, cattle, rice, milk, sorghum, sugarcane, and banana producers, are all unjustly considered private producers -- which we no longer are -- because the Sandinist government through decrees, laws, actions, and the new Constitution, has managed to eradicate the right to private property, private enterprise, and free enterprise. All former private businesses are referred to by the Midinra [Ministry of Agricultural-Livestock Development and Agrarian Reform] as People's Property Areas, better known as APP. The APP competes with the private sector in all fields of agricultural, cattle-breeding, coffee, etc. production and have done so with great advantages because they obtain concessions, preferential financing, and priority in the allocation of all the items necessary for production -- from a tractor to bolts -- at reduced proces. The Sandinist cooperatives and unconditional regional [words indistinct] also enjoy all of these advantages.

Despite all of these advantages in their favor, the APP have not produced efficiently, the properties under their responsibility have declined, and they have not been properly administered. The results of the so-called or ill-named mixed economy has been disastrous for the country. The long lines of people buying at any price are irrefutable proof of the seriousness of the situation. There is malnutrition and hunger, and the children are the most affected. Upanic is only asking the Sandinist government to give full guarantees for land ownership and that it respect private property, freedom of trade, equal treatment for private producers, and fulfillment of promises. Thank you. [applause]

[Speaker] About 2 years ago, on 16 February 1985, in this same place, with more or less the same actors in our national life, everyone met. We meet again. In one word, Mr President, what I did not say yesterday I will try to say today. This has been a total failure, a national tragedy. Your government has failed, the FSLN's political-economic plan has failed, and it is useless to say that patriotic producers still exist. No one has the spirit to produce anything in this atmosphere of failure. What we need to do now is to start all over again. You and your party should pay heed to the advice of our bishops. A national dialogue with all Nicaraguans is necessary. You and your party should listen to the voice of the people, which is the voice of God. We want a national reconciliation. [passage omitted]

[Ortega] The goal of this meeting is very clear: to discuss the national economic plan. It is also true that the economy cannot be divorced from politics, but the idea here is not to carry out political discussions on the plan; the idea is to contribute to the plan in very specific ways that have to do with production.

We have spoken here about the Constitution. We have a Constitution that has strengthened the institutionalization of the revolution, and in the name of this very same Constitution demands have been made to abolish the state of emergency. However, also in the name of the Constitution it was noted that we have a government here and that, among other things, it is the government's responsibility to seriously discuss the problems of the economy. We cannot wait as some would like for a dialogue with the counterrevolution to take place, or the abolishment of the state of emergency, or a dialogue to save the nation, to work out the economic plan. The country has to develop economically, independent of those purely political topics. Were we to start a political discussion before going ahead with the economic plan, we would in fact be disregarding this constitutional regime, together with the role the government plays in leading the country by means of an economic plan. We would be creating chaos.

If we try to operate the economic plan with political guidelines and to condition economic activity to political decisions, we will in effect be removing legitimacy from what the people have been legitimizing during all these years of revolution. We would then be fostering anarchy and chaos and going against the Constitution itself, by not respecting it.

We have invited to this meeting all sectors concerned with production. If it had been the government's intention to discuss political problems, we would not have invited trade unions and business associations. Why? Because the trade unions have their parties and work under the party system. The ATC [Farmworkers Association], or the CGT [General Labor Confederation], have their party representation with the Communist Party. The Workers Front has its representation with the Marxist-Leninist Peoples Action Movement. The CTN [Nicaraguan Workers Federation] has its representation in the Social Christian Party, and so on with each trade union having its political representation. The COSEP [Higher Council of Private Enterprise] members belong to an entire range of political parties -- some parties are members of the National Assembly, some are not.

Thus, if it had been a matter of solving a political problem, we would have summoned the political parties and the discussions would then have taken the direction suggested at this meeting. However, that is not the case. The idea was to initiate a dialogue, a discussion, and for me to explain the already approved economic plan. In this plan we point out that it has been decided by concensus that changes have to be made immediately. This plan will not be applied mechanically or automatically. It will be applied with a true sense of commitment, but also with rationality and effectiveness. That is why we wanted to hear the opinions, comments, and criticism of all sectors involved in production.

Although the discussions were marked by a political element -- it is true that everything is marked by a political element -- we discovered that there are a number of contributions we must consider in the application of the plan.

There were reasonable proposals and concerns such as the supply problem, the problem of the supplies for workers, the technical and material supply for production, the problem of credits, the credit policy of BANIC [Bank of Nicaragua], the transportation problem, and the maintenance of roads. In other words, all these problems concern us, and they were fully discussed before this document was drafted. However, this type of meeting throws more light on these problems [words indistinct] overall, it is logical.

This allowed us to organize a second phase that is comprised of knowledge and the promulgation of the plan. This second phase includes meetings with the various sectors and branches [words indistinct] the event that contributes to enrich the plan and improve its application.

The comrades of UNAG demanded they be allowed to participate in the regional commission committees for the increase of production. We considered this a completely reasonable proposal. The UNAG members proposed that the producers, as well as their representatives, participate. We agreed to the participation of producers, even of those who are not affiliated with UNAG, but who are affiliated with other organizations, or those who are not affiliated with any organization but who can find the means to make their proposals heard by the committee. Obviously, the best thing is to make their proposals heard through the organization, which is the engine, but that is done by the producer [words indistinct] who makes a reasonable proposal.

When Mr [name indistinct] explained the farm problem to us -- we are still not very clear on that, because they say that you own 2,000 manzanas in Boaco....

[Speaker, interrupting] [Words indistinct] a farm in San Pedro [words indistinct] I have made three harvests, which [words indistinct] and I am trying to get something from coffee [words indistinct] ...

[Ortega] In other words, you are raising a specific problem that is also related to the producers, to the producers mainly to their stability as producers. Here is the document containing the appeal that you presented to the agrarian court. We will analyze it and we will see. You are dealing with an issue that we want to discuss and have already been discussing, because we need agrarian reform for our society. Agrarian reform is a commitment the revolution has made to the Nicaraguan peasants.

We are fully aware that it is possible to make certain mistakes and commit abuses in the application of the agrarian reform. This has already happened. We are aware of that. There have been cases of abuses and inadequate reform. However, when the producers are willing, there is an opportunity to produce and there is a better understanding of the problems. If a producer is aware that there is a number of peasant families who are demanding land -- and we have to give them land, because we are pressured by society -- and that the other available land is [word indistinct], it is easier to resolve the problem of those peasants, as in the cases of the settlements in Jinotega and Matagalpa. Peasants struggled to reach agreements with producers there. We also used the land of state farms and state enterprises to settle the problem of those peasants who otherwise would have had to abandon their areas of production.

If we deal with conscientious producers, we know they can negotiate and we can offer them land somewhere else so they can continue producing.

If the producers are willing to solve specific problems, there is no reason to have negotiations.

Therefore, those cases must and will be studied. However, there are other cases in which intransigent positions show a lack of social awareness.

We all have a common denominator here. We all speak on behalf of the people, on behalf of the workers. We are all concerned for the peasants and laborers. Regarding Mr Bolanos' case, and his brother's case, we talked to them and sought to engage in negotiations on their property. I know that negotiations were suggested to Mr Bolanos' brother. We also told Enrique Bolanos that we could give him land to work in another area. He was told this publicly. I heard Commander Wheelock tell him this, I repeated the same thing to him, and the proposal we made still stands. There has been no arbitrary attitude despite Mr Bolanos' political stance. We were interested in resolving a problem we had with the peasants. As Mr Bolanos and all of you know, that area is heavily populated. It is a densely populated area; it has the highest population density in Nicaragua. The need for land in that area is great. In the Masaya area, in that entire area, the people are exerting pressure for land. A man with 2 manzanas of land is already considered a large land owner. Why, because of the social pressures that exist in that area.

What am I trying to say is that if a producer is willing to find a solution to a social problem, he will understand that he will be affected but he will also know that many peasants will benefit from this. We are doing this for the peasants. Everyone mentions the name of God and speaks in God's name, to do so is quite Christian; however, when it comes to distributing wealth, complications begin. We begin to find complications because no one wants to let go of his wealth.

We see other cases where we find that there is a real understanding of the social problem and that a true Christian spirit does exist. When these problems have been brought up, the solutions offered have been accepted. Jinotega-Matagalpa is a very difficult area; it is strongly affected by the [words indistinct] military actions and there are many displaced persons in that area. These people had to be resettled in farms and on state land. The land was there and it was the solution to the problem.

However, when there is no state land to distribute we have to negotiate with the producers. We have negotiated with producers who support the FSLN and the revolution, and we have negotiated with producers who do not support the FSLN or the revolution. I wish to make it clear that this is the policy of the revolution. A producer who is producing efficiently, a producer who is working and not involved with the armed counterrevolutionary activity, will have every support the revolutionary power can offer him. However, this same producer must also be aware that he must share if there is a strong social problem in the area. He must be willing to help resolve that social problem. He must show his solidarity with the peasants. He must say: Well, if I have four farms I can negotiate one or two farms. He can work one farm. A person can live and work very nicely in this country with one farm.

The agrarian reform results from the situation we encountered when we took over. The agrarian reform is not a last minute and arbitrary decision adopted by the revolution; there is a reason for the agrarian reform.

It was necessary. We have received information to the effect that there are many producers, who are members of COSEP, who have left the country. We have their names. These people are not working their land properly. They have left Nicaragua and have established themselves in other countries after decapitalizing their companies here. They have their money in other places. However, these people return to the country before their permits expire so that they will not lose their land. This type of attitude cannot be described as patriotic. This type of attitude goes contrary to production in this country. When a producer does this he affects production. It would be a crime to leave that land idle when there are thousands of peasants who are ready to work that land.

We understand the different concerns expressed during this meeting, such as the one presented by [words indistinct]. We received the document and read it. We feel that it approaches the cattle problem we are facing. For this reason we have asked for meetings during which the various sectors involved in the cattle industry can participate. This document has been of help and we will use it as a basis to enrich the measures we have already adopted to confront the cattle problem. These measures have already been adopted; some are hard and drastic measures, but they are necessary and have already been implemented.

It is also clear that workers here have made a continuous effort. We cannot say that workers have not made a continuous effort. We cannot say that workers are [?on strike] or demoralized. That would not reflect reality. Neither can we say that Nicaraguan workers have already achieved a high degree of awareness and that they are all willing to work not just 8 hours but 12 or 14 hours or whatever time is necessary. We have to combine material incentives with moral incentives. The two sectors must undoubtedly be combined. The combination of these factors is what has allowed us to increase work efficiency and achieve an improvement in the work. Because even those who do not want to admit this [words indistinct], is starting from a false premise which cannot result in a correct conclusion.

If workers who [words indistinct] thought that the revolution was going to free them from the work they were doing for the exploiters, work efficiency increased here. Workers have become aware of their role as a vanguard supporting the country's economy and the revolution itself. They realize that an hour lost represents an hour that affects the Nicaraguan workers' strategic interest.

There has been no revolution in the world where it has been said that workers should work less. On the contrary, it has been said that workers should work more. [sentence as heard] Workers are now working for themselves and for their own benefit and for the benefit of their brothers; therefore, workers should work more. We should not be shocked because one works 11 hours. In the past workers were forced to work the minimum workday efficiently, and they also had to work overtime, and work very hard. Why did the worker do this if he was not receiving wealth or benefits but giving them for a minority, the exploiters, who were exploiting him? Why did he do this? Because there was a high unemployment rate in this country. Thus it was easy to blackmail and threaten a worker. If he did not work properly he was fired, and one thousand workers were immediately available and ready to take his job.

There are problems sometimes, that is true, such as the continuous displacement of workers from one place to another. This has to do with an ideology and awareness problem. What should be the role of a revolutionary union? The role of a revolutionary union cannot be to tell workers to go on strike or to tell workers that they must struggle for economic benefits. The role of a union leader is a difficult one because he has to tell workers to work harder amidst these conditions of scarcity and supply problems.

We also have problems providing technical material and supplies to the enterprises, and we have organizational problems here in the enterprises, because as there are problems in the management there are also problems in the work force due to lack of discipline. We must make a joint effort so the workers and the management of the enterprises work together efficiently and with discipline. Well, that I believe is difficult, it is very difficult. It would be easier to tell workers: Let's ask for more supplies and better salaries. Therefore, that attitude is not consistent with someone who has a revolutionary philosophy. That is a counterrevolutionary attitude. Why is it that every time comrades from the CAUS and the worker's front speak they are applauded by the COSEP representatives? It is because their statements support the imperialist plan.

I would have liked to see good intentions at the root of the suggestions made by the various sectors of COSEP, but I did not find any good intentions in the COSEP political suggestions, because it is a political proposal tht wishes to deny the legitimacy of the revolutionary government. It wants to deny the legitimacy of the elections and of the Constitution.

Those sectors speak of dialogue, they called for a dialogue that is undisputably not possible. Here, here [repeats himself] we experienced an electoral process in which all political parties participated, including COSEP, which was listed as a political party in the Ramiro Sacasa Guerrero Democratic Coordinating Board -- and it continues to be part of that coordinating board.

Therefore, the best thing we can do, is to definitely organize COSEP as a political party and to tell them how to legally become a political party at the electoral tribunal. The ideal thing would be for COSEP to present a request to become a political party. That would be a different story. The problem is that it is either a political party or a representative of the producers.

The COSEP political proposal speaks of failure. Who failed? Did Reagan's policy fail? The revolution has not failed. The revolution has tried to face and defeat that policy. Can they invade us? Yes, they can invade us, it is true, they can invade us, but we will face that invasion and we will defeat the invasion, too.

However, as far as we are concerned, the policy that Reagan has promoted through these years to destroy the revolution, which was ratified by him some 3 days...[corrects himself] 2 days ago, has failed. Where are the mercenaries? Are they controlling our cities? Have they triumphed? Have they won the Nicaraguan people's sympathy and support? The mercenaries are fighting against the people. They kill peasants, children -- we are very concerned about the killing of children, about all those murders, not only of children. Who have killed children here in Nicaragua except Reagan's mercenaries? Therefore, the only thing that has failed here is Reagan's policy.

It is true the revolution has experienced crucial moments, because to face a war of aggression like the one the United States has launched against us and to face an economic war...[changes thought] What does the war of aggression do? It has attacked Nicaragua on all levels. It has attacked us militarily, economically, and in international politics. They tried to sabotage our elections, they tried to sabotage the Constitution. They have tried to create chaos.

For Reagan it is inconceivable that we are together here discussing the economic plan. The fact that we are here discussing the economic plan shows the failure of Reagan's policy. Although political problems have been discussed, the discussion of the economic plan is at the core of this meeting. We have had the time to discuss the economic plan. We would not have the time to discuss the economic plan if the war were developing differently and the mercenary forces had the upper hand. We would not have the time to draft policies, or the Constitution, or to hold elections. However, we held elections and drafted the Constitution. Reagan's policy is failing, and that is why the revolution has become stronger, even amid difficult conditions. The situation is indeed difficult. However, is the situation we are facing new to us? We are waging war. People are dying here every day. This situation creates very difficult problems.

Economic problems crop up everywhere. Fighters need supplies to fight; workers in the city and countryside also have needs that must be fulfilled in order to produce, and also those in social services. Everyone in Nicaragua needs food. What have we done about this? We have designed a distribution policy because we are obliged to avail all Nicaraguans of at least a little bit of cooking oil and rice. However, in the past there was no obligation to avail Nicaraguans of a little bit of cooking oil and rice. They used to have to do what the comrade was telling us about the family [words indistinct]. That is the truth. [Words indistinct] there was no hunger in Nicaragua in the past. It is said there was no hunger in Nicaragua and there were no problems in Nicaragua. However, we could tell the whole story here. Many would be able to tell the story.

It is said that people have to stand in line in stores to buy toys at Christmas time. It is said that that did not happen before. However, the fact is that before children did not have access to toys. Who refuses to stand in line? The handful of people who were able to buy toys at Christmastime. [Words indistinct] wanted to give us a gift at Christmastime there was no hope of obtaining a toy, with or without standing in line. Now the people, all Nicaraguans, have the possibility of obtaining a toy and a little bit of food. However, I assure you that those who did not have those limitations in the past are annoyed because they are selfish.

This does not negate the mistakes that we have committed and continue to commit. This does not negate the domestic problems we are experiencing. When I say domestic problems, I am referring to those problems that we can resolve by improving discipline and efficiency at work, increasing responsibility at work, fighting all kinds of offenses. Offenses do not only include lack of discipline. Those who are undisciplined at work are stealing and that is a kind of theft.

Those who take merchandise are stealing. Those who cheat at government institutions -- that is another kind of offense -- are also stealing from the economic revolution, stealing from the people. We have many problems that will be resolved when all the workers -- I mean all workers: a minister is a worker; a [words indistinct] is a worker; employees in all positions are workers, whether they work in the production or service sectors; technicians are workers; doctors are workers -- fulfill our obligations as such and become more conscientious.

In the plan I have proposed to improve things bit by bit -- as everything cannot be changed within 1 year and expected to work to perfection -- but we do have to advance. [sentence as heard] Here is where we are asking all the country's productive sectors to take part in these discussions.

This is how it is -- dialogue. Dialogue with the contras, either directly or indirectly -- as now they want to hold talks through our political parties, which would represent the contras -- we will not establish that type of dialogue. How are we going to establish that type of dialogue? This would mean destroying the legitimacy and legality of all that has been done in this country. We would start questioning and discussing all this, because, after all, what is the problem? When the COSEP people speak of the future, deep down they refuse to accept the revolutionary changes. Two positions become clear: I comrades who think that there is no revolution here. These comrades are far away from reality.

Reagan has a better perception than they have, as Reagan does know there is a revolution. That is why he has insisted so much on destroying this revolution. Reagan does not have the slightest doubt that this is a real revolution. Reagan is concerned and he should have promoted some type of agreement for Nicaragua a long time ago. However, Reagan instead has paid an enormous political cost for an international war. Reagan has brought down U.S. prestige worldwide and he has left himself open to the International Court of Justice's sentence. He has left himself open to his own people's opinion, which has not supported his policy. [passage indistinct]

It would appear that there is no revolution because the COSEP is at this meeting with us here. [passage indistinct] There is no place for this in Nicaraguan reality. Revolutions are not mechanical. Revolutions cannot be transferred mechanically. That is why it is difficult for a revolution to start. It does not happen every day, and the revolution must be consistent with its own reality. Here we are making a revolution made up of our own realities. Even though the COSEP has these ideas, well, they have a right to think and to express themselves in that way -- the way they did this afternoon. If the solution to this country's economic problems was the elimination of the private sector, then we would have done this a long time ago. We would have adopted this measure if it were the right and adequate thing to do if it meant stabilizing the country's economy.

Therefore, there is a conceptual problem here on the part of people who, upholding revolutionary positions, make this kind of proposal. And there is also another conceptual problem. It is that of the COSEP, which obviously reflects economic interests in political speeches. In other words, the political speeches reflect economic interests. Therefore, the COSEP's political speeches represent economic interests. They refuse to recognize the revolutionary change that has taken place in Nicaragua and want to reform the system because the COSEP members are conscious of the fact that power is actually in the hands of the workers in Nicaragua.

They are also conscious of this and see it clearly and do not want to admit, do not want to accept, this revolution's contribution, namely, that even though power is in the hands of the workers, this revolution gives a place to private producers, guaranteeing it in economic terms. Logically, since it is guaranteed in economic terms, it is directly reflected at the political level. That is where political pluralism comes from because any talk about political pluralism would be meaningless without a mixed economy. The mixed economy provides the basis for us to be able to talk about political pluralism.

They refuse to accept the revolutionary (?system). This is what they refuse to accept, and of course, they feel more encouraged. They feel more encouraged and talk that way because, deep inside, they know we respect their political and ideological manifestation. [Words indistinct] their concern for a solution to be found to its membership's transportation problem. We do not know of any instance in which the COSEP members have expressed specific concerns and told us they have a problem with transportation, or a supply problem, or a problem with regard to some type of social or community need. What we know of are political speeches. The COSEP acts like one more political party. It behaves this way because it knows there is political pluralism and it means political room. Otherwise it would not be acting the way it does. Otherwise, it would not be meeting here with us.

There is also another misconception. It is also encouraged by the constant U.S. threat against Nicaragua because they say: Well, the United States is powerful; the United States, Reagan [words indistinct] against Nicaragua, so this is not yet finished. Of course, they feel encouraged.

In addition, there are revolutionary, left-wing parties that feel scared because of U.S. aggressiveness. They feel that by seeking the type of dialogue they call dialogue for national salvation, the intervention will be eased. They do not realize that we will have Reagan's policy with or without a dialogue for national salvation. We are not so (?naive as to think that) Reagan will stop his policy against Nicaragua. [passage indistinct]

We will not stop Reagan with these meetings. We will stop Reagan by fighting him, with the fighters on the war front. That is how we will defeat him -- by fighting him. And who is fighting against him? The ones fighting him are the workers, the peasants, the laborers, and the students. The technicians and the professionals are also fighting. Workers from various sectors and youths from various strata are fighting there and defeating Reagan. All of them are defeating Reagan. This is reality. Therefore, it is important that the political (?regime) be in touch with this reality -- and also those who are full of good intentions as well as those who wish to be pragmatic at the last minute because there is a revolution here.

This revolution is advancing. In this revolution, all the political and economic sectors must have an opportunity to participate. We must go forward with our heads held high because we are being attacked from the outside.

U.S. aggression has not been mentioned. Reagan's threat 2 days ago has not been mentioned. There has been a lack of a patriotic spirit. The COSEP candidate and other parties would have greater authority to say: We condemn the Reagan policy, because it is criminal. It is an illegal policy. Others have recognized this. This policy has clearly been condemned internationally at the United Nations and by the International Court of Justice. If he does not say this in Nicaragua and he says he is a Nicaraguan -- and let it be clear that Nicaragua is meant -- it is because he has other plans, he looks at a different future, namely, the return to the Yankee dominaton of Nicaragua and the return to capitalist exploitation. This is what he sees. We appeal to the consciences of the Nicaraguan people, to the conscience of the COSEP gentlemen, to the conscience of the comrades of CAUS and the labor front to understand the country's reality, the effort that all of us must make to forge ahead, to continue forward always, because Reagan has not succeeded in stopping the revolution. Something has failed here -- it is Reagan's plan. Something has triumphed here -- it is the revolutionary project. We invite everyone to participate constructively, clearly removing themselves from the Yankee interventionistic policy. We invite everyone to strengthen this revolutionary project. I expect everyone's participation in this effort.

ORTEGA URGES CALERO TO FIGHT INSIDE NICARAGUA

PA061922 Managua Domestic Service in Spanish 1200 GMT 6 Feb 87

[Text] Nicaraguan President Daniel Ortega Saavedra has urged mercenary Adolfo Calero, head of the self-styled FDN, to come and fight inside Nicaragua. Commander Ortega Saavedra learned the FDN chief said in Washington that he now has (?10,000) men inside Nicaragua since the FDN began receiving the $100-million aid package from the United States. Moreover, Calero said the contras are meeting little resistance from the EPS. President Ortega Saavedra said those remarks simply attempted to buttress the policies of U.S. President Reagan, which as we know, have been weakened. Ortega Saavedra also said Calero attempts to paint a picture that does not exist, except in Calero's mind. Instead, Calero should come here, the president said.

CRUZ RESIGNES FROM UNO, CONTINUES 'STRUGGLE'

PA070412 Paris AFP in Spanish 0216 GMT 7 Feb 87

[Text] San Jose, 6 Feb (AFP) -- Anti-Sandinist leader Arturo Cruz today confirmed his resignation from the Nicaraguan Opposition Unity (UNO) directorate and stated the measure is intended to "precipitate" substantial changes in the Nicaraguan contras' leadership. In a statement to a Costa Rican television newscast Cruz promised to continue the struggle "to democratize Nicaragua" but warned it is necessary to reorganize the counterrevolutionary leadership.

"It is necessary to create a fully-organized directorate, in which all the members are equally responsible for handling the funds, leading the struggle, and giving political guidance to the resistance," it was asserted by Cruz, who arrived today in Costa Rica where the other Nicaraguan oppositon leaders live.

Cruz said his resignaton from the UNO directorate, in which he shared duties with Adolfo Calero and Alfonso Robelo, is not due to personal reasons but to "differences in the perception of what the Nicaraguan democratic opposition's real plan should be."

He asserted: "It is false, even ridiculous, that I have asked (Assistant Secretary of State for inter-American Affairs) Elliott Abrams for Adolfo Calero's head."

Furthermore, Cruz rejected the possibility that his resignation might affect the approval and disbursement of additional aid for the anti-Sandinist guerrillas and said that if the reforms he suggests are accepted "these will actually increase the possibilities" of getting aid.

The anti-Sandinist leader insisted: "There is a possibility the reforms will be enforced" in a short time. He openly admitted: "I am lobbying (among the contra leaders) for things to be done as they should be."

Cruz indicated the reforms the Nicaraguan contras need include not only an organized directorate but also the adoption of a "pluralist" political line; likewise, their guerrilla forces should not continue to operate as factions and comprise a single armed branch of resistance.

Also, Cruz said he is "enthusiastic" about Costa Rican President Oscar Arias' proposal -- to declare a cease-fire and begin negotiations -- that the presidents of El Salvador, Honduras, and Guatemala will discuss in San Jose next Sunday.

"The proposal is good and can facilitate a consensus between the Reagan administration (Republicans) and the Congress (Democrats) concerning the policy that the United States should carry out regarding Nicaragua," Cruz concluded.

CRUZ, ROBELO MEET ARIAS OVER COSTA RICAN PROPOSAL

PA080244 Managua International Service in Spanish 2350 GMT 7 Feb 87

[Text] Official sources have confirmed that Nicaraguan Opposition Unity counterrevolutionary leaders have met with Costa Rican President Oscar Arias Sanchez in San Jose.

Mercenary leaders Alfonso Robelo and Arturo Cruz met with President Arias to learn about the Costa Rican proposal -- endorsed by the United States -- that will be presented to the so-called Tegucigalpa Bloc in the upcoming Central American presidents' meeting to which Nicaragua was excluded.

OPPOSITON PARTIES PRESENT 'PEACE PROPOSAL'

PA070209 Hamburg DPA in Spanish 2223 GMT 6 Feb 87

[Excerpts] Managua, 6 Feb (DPA) -- Seven opposition political parties, with and without parliamentary representation, have managed to unite for the first time in Nicaragua to present a peace proposal to the Sandinist government. This proposal is based on a national dialogue with the immediate goal of attaining a cease-fire between the forces loyal to the revolution and the "contras" financed by the United States. [passage omitted]

The parties proposing the plan were the paliamentary opposition Independent Liberal Party (PLI), the Communist Party of Nicaragua (PCdeN), and Popular Social Christian Party [PPSC]. The Constitutional Liberal Party (PLC), Social Democratic Party (PSD), Nicaraguan Conservative Party (no legal representation), and Social Christian Party (PSC), which have no parliamentary representation, co-authored the proposal.

The "Proposal for a National Compromise in Favor of Peace, Democracy, and Independent Development in Nicaragua" states the following:

1) Create a national peace commission. The commission's basic efforts will be to attain a definite peace for the homeland. The first step will be to work in earnest to attain a cease-fire as soon as possible.

2) Fully enforce the political, economic, and social rights that are recognized in the new political Constitution of the Republic.

3) Forge a patriotic unity in the nation for the overall defense of the country and the national democratic revolution.

4) Jointly prepare and carry out a complete national plan for the reconstruction of the country; independent economic development; social progress; and national democracy.

5) Grant a general amnesty for political and related crimes.

6) Prepare a schedule for elections at every level, which must be carried out the year after the national compromise is signed.

7) Establish a permanent process for a national dialogue that enables Nicaraguans to reach a consensus.

8) Unite all efforts to encourage international cooperation for the country's reconstruction.

9) Based on the consensus agreements, proceed with the public signature of the national compromise. This must be done in a most solemn way, and official representatives from all the country's political parties and social organizations, the United Nations, the Contadora and Support Groups, international political coalitions, and all the diplomatic corps accredited to the country should be invited to the ceremony.

SUPREME COURT REJECTS CHALLENGE TO EMERGENCY LAW

PA071645 Managua Domestic Service in Spanish 1200 GMT 7 Feb 87

[Text] The Nicaraguan Supreme Court of Justice has turned down a petition filed by four opposition parties asking that the presidential decree issued on 9 January to extend the duration of the state of emergency be declared unconstitutional.

The president of the Popular Social Christian Party reported that the Supreme Court rejected the petition, explaining that under the new Constitution, these petitions cannot be accepted without the existence of a law of appeals.

CNPPDH 'CLARIFIES' CIDH HUMAN RIGHTS REPORT

PA070207 Managua International Service in Spanish 2350 GMT 6 Feb 87

[Text] The National Commission for the Promotion and Protection of Human Rights in Nicaragua [CNPPDH] has clarified a false report issued by the Inter-American Human Rights Commission [CIDH].

The report said that several prisoners had been killed at the Tipitapa Jail, and that approximately 12 female prisoners were being mistreated.

CNPPDH President Vilma Nunez de Escorcia carried out an investigation after receiving a telegram from the CIDH on 27 January. An inspection of the Tipitapa Jail showed that the CIDH reports were false. Nunez de Escorcia met with several of the supposedly dead or mistreated prisoners, who were found in perfect physical condition.

DEFENSE MINISTRY COMMUNIQUE REPORTS ON ACTIONS

PA070114 Managua Radio Sandino in Spanish 1200 GMT 6 Feb 87

[Communique by the Defense Ministry's Public and Foreign Relations Directorate issued in Managua on 5 February 1987]

[Text] The Defense Ministry reports:

1. During the period between 5 January and 5 February 1987 the mercenary forces suffered heavy blows from the EPS. During this same period, the U.S. Government has increased its military presence in Central America and the Caribbean, within the framework of the aggression against our country.

2. During the same 1-month period the EPS overwhelmingly defeated the mercenaries in more than 350 combat actions. Among other sectors, these actions took place north and northwest of Rio Blanco and Waslala; north and northwest, south and southwest of San Jose de Bocay; north and northeast of Yanli, in Jinotega Department. Other combat actions took place east and southeast of Nueva Guinea and north and northwest of San Pedro del Norte, Zelaya Department. As a result of the harassment of the mercenary enemy, the counterrevolutionary forces sustained 670 casualties, including 397 dead. Our troops suffered a total of 86 dead.

3. The policy of terrorism against our country's civilian population and economy produced a total of 7 dead, 5 wounded, and 18 kidnapped in Jinotega and Matagalpa Departments, and fewer casualties in Chontales and Zelaya Departments. In addition, six small production centers were attacked, and seven civilian vehicles were ambushed.

4. U.S. joint military maneuvers continued during the month of February, with the purpose of perfecting the theater of military operations within the territories of neighboring countries, in an attempt to escalate attacks against Nicaragua. Among others, these maneuvers include joint Honduran-U.S. military exercises "General Vicente Tosca Carrasco-87," "Big Pine-87," "General Terencio Sierra Blazing Trail," and U.S. military exercises -- based on engineering projects -- in southern Costa Rica.

5. Activities of systematic exploration and vigilance against our country continue through the presence off the Pacific coast of radio electronics exploration vessel ARL-24 Sphinx and the Nicor Navigator, a Coast Guard ship equipped with a radiosonde. In addition, from two to four naval units -- also from the U.S. Navy -- are maintained off the Atlantic coast. During the same period the battleship BB-61, Iowa and the cruiser CG-48, Yorktown were mobilized off the Atlantic coast, only 100 km from our shore. These vessels are currently in the Caribbean area.

6. Between 5 January and 5 February, nine radio-electronic exploration flights with RC-135, EC-130, U-2, and HC-130 planes were detected. In addition, 36 aerial violations during explorations and reconnaissance missions were detected, as well as two flights to deliver supplies to the counterrevolutionary forces with cargo planes.

7. As part of the provocative actions against our country from neighboring territories, there were six harassment actions againt our border posts, mainly in Nueva Segovia. In addition, the Sandinist Navy captured three Honduran ships that were illegally fishing in Nicaraguan territorial waters.

Managua, 5 February 1987

Public and Foreign Relations Directorate, Defense Ministry

BRIEFS

EPS PROMOTIONS REPORTED -- More than 30 EPS officers were promoted in the northern city of Matagalpa, in recognition of their dedication, combat readiness, and discipline. The promoted officers have been FSLN militants since before the revolution's victory and have remained within the EPS ranks since its creation in 1979. They also received gold, silver, and iron decorations for their outstanding participation in combat actions in their remarkable military performance. [Text] [Managua International Service in Spanish 2350 GMT 6 Feb 87 PA]

PEACE MOVEMENT CONDEMNS U.S. NUCLEAR TESTING

FL062250 Havana Radio Reloj Network in Spanish 1910 GMT 7 Feb 87

[Text] The Cuban Movement for the Peace and Sovereignty of the Peoples today formulated a strong condemnation of the Reagan administration's renewal of nuclear testing and expressed its concern and repulsion over that action.

The new action once again demonstrates the true nature of the industrial military complex headed by Washington which attempts to place obstacles on reaching an understanding with the Soviet Union over nuclear testing.

The Cuban group warns that the U.S. decision is of great significance if one takes into account that the Reagan government continued its testing while it knew of the USSR's declaration, which unilaterally suspended its nuclear testing.

The declaration issued by Cuban Movement for the Peace and Sovereignty of the Peoples calls on all progressive forces to unite and reject the U.S. policy of genocide.

GRANMA DISCUSSES DRUG TRAFFIC, WHITE HOUSE TIES

PA062137 Havana International Service in Spanish 2300 GMT 5 Feb 87

["What the Press Has To Say" feature]

[Text] When we began to hear a few years ago about the drug problem no one had any doubts that prominent U.S. people were involved. This is how the prominent Cuban reporter, Juan Marrero, begins his interesting commentary "Drug Trafficking's Haven in the White House." This commentary was recently published in GRANMA's weekly summary.

Marrero goes on to state that it would be hard to believe that the hands of those who move the economic, political, and financial strings of the most powerful imperialist country in today's world were not behind this business that yields more than $100 billion in yearly profits. Many times they tried to make us believe that only the Mafia, gangsters, and common criminals benefitted from the fabulous traffic and sale of cocaine, heroin, marijuana, and other drugs.

Marrero's commentary adds that recently it was learned that a group of 40 policemen in Miami were reselling drugs they had confiscated and that the cargo seized from the ships was transported in official vehicles. Another recent case was the one of the two detectives who received an award for discovering a shipment of 420 kilos of cocaine and who were later charged with keeping part of the shipment. From one day to the next they went from heroes to common thieves.

John Cusak retired in 1985 after working as an agent for the Drug Enforcement Administration, DEA, for 30 years. He said: The huge amount of money generated by drug traffic is corrupting people from Florida northward: fishermen, banks, even entire cities. It is penetrating state and local administrations. The threat of corruption is ever-present.

Marrero stresses that Cusak, however, could not suspect that such a threat could loom even over the White House. This happened recently. The uproar over the diversion of funds from the sale of U.S. weapons to Iran brought to the fore the White House links to drug trafficking. First, a document drafted by aides of Senator John Kerry, based on a probe of the Nicaraguan contras, showed the suppliers of weapons to the Somozist bands were also involved in shipping cocaine and other drugs to the United States. The report stated that part of the infrastructure used to move people, funds, materiel, and ammunition from the United States has been involved in the drug trade. These traffickers have important links with all sectors of the contra leadership.

GRANMA's weekly roundup added that the operation was very simple. Transport planes would come in loaded with weapons to Honduran or Costa Rican airports where the Nicaraguan contras were. The shipment of cocaine and marijuana would be flown to the United States in these airplanes. Who was going to inspect military transport planes in the United States when their schedules had been arranged by the National Security Council or the CIA, offices that operate in the White House or are dependent on it? The White House links to drug trafficking also include the person Reagan described as a national hero, that is, Lieutenant Colonel Oliver North. NEWSWEEK magazine disclosed that Nicaraugan contras purchased part of the weapons figuring in this scandal. Cocaine was illegally brought into the United States with the aid of the CIA and the well-known DEA, which ironically is in charge of fighting drug trafficking.

The article we are now discussing ends by stating that this matter of drug trafficking and its ties with U.S. Government structures, such as the National Security Council, the CIA, and the DEA would become a great scandal in that nation, if it is proven correct. What could Reagan say about this situation? Let us keep in mind that this same president has vilely tried to blame revolutionary and progressive governments, as well as liberation movements, for the narcotics consumption in the United States. His national hero, Oliver North, is also a suspect. Will the President also claim not to know about any of that?

U.S. CONTINUES 'ESCALATION' AGAINST NICARAGUA

PA070332 Havana International Service in Spanish 2300 GMT 6 Feb 87

[Text] As part of its escalation against Nicaragua, the United States continues to carry out miltary maneuvers, espionage flights, and the deployment of warships near the coasts of that Central American country, the Defense Ministry has announced in Managua. There are two U.S. Coast Guard [as heard] vessels in the Pacific Ocean, one of which is a radio electronics exploration ship. In the Atlantic Ocean, there are several ships, including the battleship Iowa and the cruiser Yorktown.

"Big Pine 87" and "Blazing Trail" are the two maneuvers the United States is carrying out jointly with Honduras, while a so-called military engineering exercise is being undertaken with Costa Rica.

The Nicaraguan Defense Ministry points out that during the first month of this year, Washington carried out 9 espionage flights over Nicaragua, 36 air violations during exploration and reconnaissance, and 2 supply missions to the Somozist bands inside Nicaragua.

ANGOLAN DELEGATION ARRIVES FOR COOPERATION TALKS

F1071552 Havana Radio Reloj Network in Spanish 1509 GMT 7 Feb 87

[Text] The 12th session of the bilateral commission of Cuban-Angolan cooperation will be held in Havana on Monday [9 February] with a large representation from the fraternal African country.

The Angolan delegation headed by Antonio dos Santos, Politburo member of the MPLA [Popular Liberation Movement of Angola] Labor Party, was received by leaders of the Communist Party of Cuba and Government at the Jose Marti International Airport.

The delegations will examine cooperation ties between the two countries in the fields of health, agriculture, sugar production, fishery, construction, and the creation of technical cadres, among other things.

The 12th session of the Cuban-Angolan commission which will meet in this capital on Monday with a large Angolan representation met in Luanda last year.

ANGOLAN ENVOY EYES TROOPS, NAMIBIAN INDEPENDENCE

PA080340 Havana International Service in Spanish 2300 GMT 7 Feb 87

[Report on interview with Angolan Ambassador to Cuba Manuel Pedro Pacavira by Bianca Gobin in Havana; date not given -- recorded]

[Excerpt] [Passage omitted] [Gobin] During the interview, Manuel Pedro Pacavira also referred to the so-called linkage policy created by imperialism, which seeks to condition Namibia's independence to the withdrawal of Cuban troops from Angola.

[Pacavira -- broadcast in progress] ...and for us Angolans -- the Angolan Government, party, and people -- that is nothing but equivocation to evade the real problem, to distract the attention of the international public from the real problem, which is Namibia's independence, and which has nothing to do with the presence of Cuban troops in Angola. Cuban troops are present in Angola based on a voluntary decision by the Angolan party and government, which the Angolan people's support, to preserve their revolutionary conquests, and to defend their territorial integrity. This is not related to the problem of Namibia's independence, because Namibia is a colony that has a right to independence and self-determination, just as all the peoples with colonial status do. [passage omitted]

GOVERNMENT RELEASES 'RIGHTS COMMITTEE' MEMBERS

PA071330 Paris AFP in Spanish 0438 GMT 7 Feb 87

[Text] Havana, 5 Feb (AFP) -- Three Cubans arrested months ago linked to the self-proclaimed "Human Rights Committee" were released today, their relatives reported tonight. Those released were Enrique Hernandez Adolfo Rivero, and Samuel Rodriguez.

According to the informants, Elizardo Sanchez, another person connected with this group who was arrested in September, remains under arrest.

CASTRO SPEAKS AT NATIONAL EDUCATION SEMINAR

FL061747 Havana Tele-Rebelde Network in Spanish 1240 GMT 6 Feb 87

[Excerpts of remarks by Cuban President Fidel Castro at the 5 February closing session of the 11th National Education Seminar held at Havana's Karl Marx Theater]

[Text] The revolution does not have the right to ask this entire generation -- this generation of professors and teachers trained during the revolution, educated by the revolution with more or less efficiency but who have grown with the revolution -- has the right to ask and asks for the greatest effort. [applause]

Regarding this problem, comrades, we could not stop to find out about experiences abroad. When our country was faced with the education problem of illiteracy we used our own experiences. The revolution was creative in the methods to eliminate illiteracy, it was creative in the methods it used by mobilizing teachers to the mountains and all other areas, in the creation of an education detachment when there was a big explosion of that level of education. The revolution was creative in opening schools in the countryside, it was creative in combining work and study.

I ask myself if other countries have this system at such a large extent, if other countries have made such large efforts as the revolution has made in all these fields. The revolution has been very creative in education because it is very difficult to copy others in this field. Each country adapts the methods to its own historical conditions, to its own problems. I am going to say more, many countries do not bother with these kinds of problems, they absolutely do not bother. Here we spend entire days and even months discussing matters such as evaluation methods, discussing the absolutely necessary and fair matter of adapting the evaluation to quantity and quality of education. This is what we are doing. We are trying to find the fairest formula and harmonize an adequate evaluation, adequate quality, adequate grade promotion, with massive education.

Because it is not a matter of an elitist education but of education for all, absolutely all the children of our country, not for a group, for a minority. It is education for all. Even for those who need special schools and special education because of health reasons or a condition they are born with. Because the revolution does not forget anyone.

It does not matter if he is blind, deaf-mute, no matter what the problem is either physical or mental, it does not forget anyone. That is why there are 45,000 students enrolled in special schools. At the time of the revolution there was not a single special education school, not one student enrolled in those schools that did not exist.

Praises Teachers, Closes Seminar

FL061506 Havana Tele-Rebelde Network in Spanish 1200 GMT 6 Feb 87

[Announcer-read report over video showing Castro seated at dais with other Cuban officials; camera pans the audience]

[Text] Our Commander in Chief Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba, has closed the 11th national education seminar in a ceremony held at the Karl Marx Theater. Over 3,000 delegates and guests participated in the event's final plenary session.

The top leader of the revolution underscored the great working spirit of teachers and professors and stressed the fundamental role they play in the battle to improve quality in teaching.

The 11th seminar gathered professors, school principals, deans of higher education institutes, methodologists, and inspectors who discusses various subjects aimed at improving our teaching system.

TOURISM INDUSTRY FIGURES YIELD POSITIVE RESULTS

FL051610 Havana Television Service in Spanish 0100 GMT 5 Feb 87

[Text] The National Institute of Tourism had positive results last year. It fulfilled its income plan by 103 percent. This figure represented a 10 million-peso increase in convertible currency compared to 1985. The growth of this important indicator during the last few years places national tourism as one of our main sources of foreign currency. Thus, all efforts should be aimed at increasing sales by improving tourism-related activities and maximizing the advantages of our climate and natural views, as well as guaranteeing the quality of services.

The promotion of new tours, completion of all water-sports and recreational facilities, and variety in the supply of domestic goods, brought high incomes despite the arrival of fewer tourists than planned.

This year, a greater effort will be needed to improve the supply and quality of services aimed at exploiting to its maximum the economic potential tourism offers.

BRIEFS

POSTAL RATES TO U.S. INCREASE -- The Communications Ministry's Postal and Telegraph Directorate is informing the people that from this month on the airmail rates to the United States, that is letters and postcards, will be 50 centavos. The report indicates that the lack of direct communication with the United States considerably increases the costs of transporting mail because it has to be sent through third countries. [Text] [Havana Radio Progreso Network in Spanish 1200 GMT 3 Feb 87 FL]

BRITISH-LED MERCENARIES ARRIVE FROM FRENCH GUIANA

FL052124 Paramaribo International Service in English 1730 GMT 5 Feb 87

[Text] A group of 15 mercenaries arrived at Langatabbetje in the Marowijne River on Tuesday [3 February]. According to information received from the national Army and the Ministry of Foreign Affairs here, the hired killers arrived in Suriname through French Guiana.

The Suriname News Agency reported yesterday that the group is headed by two Britons who last year had already fought on the side of Brunswijk.

Recently in an interview with a Dutch television crew, the two mercenaries declared that they are being paid partly by organizations in Rotterdam.

This morning a Foreign Ministry spokesman said that Suriname will ask the French Embassy for clarification on the landing of the mercenaries.

Last year the British mercenaries were put out of French Guiana by the French authorities and it is being queried how it was possible that again via that country the mercenaries succeeded in coming to Suriname.

COUNCIL DECIDES ON NATIONAL ASSEMBLY ELECTIONS

PM050947 Amsterdam DE VOLKSKRANT in Dutch 28 Jan 87 p 3

[Unnamed "own correspondent" dispatch: "Suriname's Supreme Council Reaches Agreement on Free Elections"]

[Text] Willemstad -- The Surinamese national representative body (National Assembly) will be directly elected in secret free elections. Agreement on this was reached in the supreme council by representatives of the old political parties in Suriname, the trade union movement, and the 25 February Movement, the political arm of the military. Candidates must be a resident of the district in which they run for election.

The old political parties originally wanted it to be possible for anyone to be able to run for election regardless of their place of residence, but this idea was rejected. The president will be elected by the National Assembly; the functional groupings in the assembly will be able to nominate candidates.

Agreement has also been reached already on the composition of the council of state. Functional groupings such as the trade union movement, the employers, the old political parties, and the 25 February Movement will be represented. Next weekend the various parties will report to their rank and file about the agreement in principle.

At the conference of Caribbean bishops being held this week on Curacao, Bishop Zichem of Suriname voiced strong criticism of the situation in his country. In a mass at the opening of the conference he said in a sermon that nowhere in the world is democracy possible if people do not take as their point of departure a deep respect for the primary rights of their fellow citizens. In Suriname people are now suddenly applauding "the idea" of democratic structures as if this were a magic formula, the bishop said.

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